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No. 112

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NATIONAL POLICY AND ISSUES

GOALS, LESSONS OF SOCIALIST PRODUCTION DEBATED

Beijing GONGREN RIBAO in Chinese 19 Nov 80 p 3

[Article by Wu Zhenkun [0702 2182 0981], a resume of a speech given on 10 November 1980 at the Beijing Symposium on the Aims of Socialist Production: "Criticism of Certain Arguments Put Forth in the Discussion of the Aims of Socialist Production"]

[Text] Since the Third Plenary Session of the CCP Central Committee, people are all drawing conclusions from realities and from various aspects, exploring the lessons from our experiences in economic work over the last 30 years. The question of the aim in all socialist production--to come to a summing up of the lessons from our experiences in economic work--is being posed on the eve of the Fourth Plenary Session of the CCP Central Committee. In the first part of our discussions, apart from debating certain theoretical questions, some comrades voiced different views on how to summarize the lessons of our experiences in socialist production realized since 1958 and also concerning our present debate itself. Some of these points are well worth further exploration.

1. Was There a "Production for Production's Sake" Tendency in Our Past Economic Work?

In his book "Problems of the Soviet Socialist Economy," Stalin pointed out, when criticizing Yaroshenko's erroneous views: "People don't produce for production's sake, but rather to satisfy their own needs." "Production that is divorced from social needs is bound to go down to extinction." The so-called "production for production's sake" is meant to denote a production which is divorced from satisfying the people's needs. A basic attribute of socialist production is indeed nothing else but to satisfy the people's consumer needs. If our production does not start out from, and not take as end-result, the satisfaction of the people's needs, it will produce the problem of "production for production's sake." As this problem has actually existed in our past economic work, we must now accurately sum up the lessons from experiences gained in that respect.

However, some comrades were of the opinion that we have never had the problem of a production for production's sake. Haven't we after all been engaged in economic work for several decades already so that we can't have missed learning what the aims of socialist production are?

It is of course very important to understand in words what the aims of socialist production are, but in the end it is practice which is the only criterion for truth, and we must check against actual practice whether there is a true understanding or not.

Since the Third Plenary Session of the CCP Central Committee, people have brought up the following questions when summing up the lessons from our experiences in economic work since 1958: Why is it that when determining the state economic plan, the consumption needs of the people are never taken as a starting point, but it is always "steel must be the key item," and the starting point is always the growth index for certain important products of heavy industry? Why is it that we always work for higher accumulations and create a long-term imbalance in the ratio of accumulation and consumption? Why is the basic construction frontline so long that construction and establishments directly affecting the people's livelihood, such as housing, cultural education, medical and health affairs, public utilities, have a hard time to get into the line? Why have people been talking for over 20 years "agriculture, light industry, heavy industry," but to this day it is still "heavy industry, light industry, agriculture," and large investments are always made in metallurgy, machinery, and other such heavy industry departments? Why is it that generally speaking our country's economy has increased fairly rapidly but that there have been no improvements in the people's livelihood, and in some respects even deterioration? etc, etc. These questions make it clear that our production and the people's needs have become seriously disjointed for a long time, and that a tendency of "production for production's sake" has indeed existed. The trend was most conspicuous in the way the economic plan was drawn up, in the distribution of the state's income, especially in the way accumulations were used, in the relationship between agriculture, light industry and heavy industry, and even in handling allocations within heavy industry. In actual fact, "production for production's sake" is production for certain political needs and to justify certain political slogans.

Why could a "production for production's sake" tendency arise? Apart from other reasons, the fundamental reason was that our guiding ideology was one of organizing a macroscopic economy which runs counter to the aims of socialist production, and that this "production for production's sake" mentality, which Stalin criticized, was allowed to play a role in allocations.

We cannot meet this "production for production's sake" tendency with an attitude of nonrecognition; we have to acknowledge it, analyze its reasons and draw a lesson from it. It would be even less appropriate to forbid the people to discuss and study the problem and sum up the lessons from all our experiences. In the case of the errors of the Great Leap Forward period, the fact that no attempt was made to draw lessons for our leadership ideology and that the people were not permitted to sum up experiences, had the result that later on even more serious mistakes were committed. Even later, in 1978, after the smashing of the "gang of four," due to the lack of sufficient information on the prevailing economic conditions and an insufficient mobilization of the people to sum up the lessons of our experiences, the mistake was committed of being overanxious for quick results and thus going all out in a mistaken "leftist" deviation. It is therefore necessary to sum up experiences not only from successes and victories, but also to derive lessons from setbacks and failures. Lenin once said: "The attitude that a political party displays toward its own mistakes is a most important and most reliable yardstick to measure its seriousness as to its own tenets and whether it truly fulfills its obligations to its own class and to the working masses."

2. Is It Correct To Have Production Serve the Consumption Needs of the People?

Some have brought up the question: Since it is definitely wrong to produce for production's sake, is it then correct to produce for consumption needs? This touches on the question as to how to understand and explain the objectives of socialist production.

In the beginning, man started to produce to maintain his own life and his own development. Divorced from man's own consumption needs, production loses all sense. All social production is therefore in the end dependent on consumption and all has its purpose in satisfying man's consumption needs. It is exactly as Marx expressed it: "Without production there is no consumption, but without consumption there is also no production, because otherwise production would have no purpose." To satisfy man's consumption needs is the general purpose of social production, the "common prescription" for all times.

However, due to the difference in social production relations, the production aims are different in different societies. Under the original commune system, the means of production were publicly-owned and labor was collectively performed. As a result, the general purpose and the direct purpose of production were integrated into one, namely to satisfy the consumption needs of the people.

When mankind entered the era of multiclass societies, the fact that the means of production were then all in the hands of the exploiting class caused the general aims of production and the direct aims of production to become separated and even opposed to each other, which means the direct aims of production were no more to satisfy the people's consumption needs but were to serve the interests of the exploiting class. In a socialist society again, when a system of socialist public ownership is established and the workers enjoy, in common, ownership of the means of production, the general aim and the direct aim of production become united. In this case the aim of social production can only be the satisfaction of the consumption needs of the people. This is affirmation and realization of the system of socialist public ownership; it is the basic attribute of socialist production. If socialist production does not make satisfaction of the people's consumption needs its objective, the system of public ownership of the means of production loses all actual meaning as far as the workers are concerned. To deny this one and only aim of socialist production would mean actually denying the publicly-owned character of the means of production and denying the basic attribute of socialist production.

Apart from satisfying the people's consumption needs, does socialist production not have to satisfy other needs too, such as broad economic reproduction, the needs of government administration or national defense? Of course it has to satisfy these needs too. The point is that satisfying these needs is definitely not the aim of socialist production but merely a means to an end, because these needs are in the final analysis merely services in the interest of satisfying the consumption needs of the people. It would therefore be wrong to regard the latter and the former needs as of equal rank and thus deny that the purpose of socialist production in satisfying the consumption needs of the people.

3. Would It Really Be Scientific To Present Production as "For the Sake of the Plan" or "For the Sake of the Political Line?"

Our socialist production develops in a planned way. In production as well as in construction efforts are therefore being exerted to fulfill the state plan. It is therefore also in order to call upon enterprises and the masses of staff and workers to struggle for the fulfillment of the state plan. However, the question we are discussing is that the aim of socialist production must be of a strictly scientific nature. It is quite possible that our plans, including those of the state, of localities, of departments, of industrial enterprises, etc, are in harmony with the aim of socialist production and are therefore correct, but there is also the possibility that the plans deviate or even run counter to the aim of socialist production and are therefore basically incorrect. In the latter case, a so-called "production for the sake of the plan" would of course be incompatible with the aim of socialist production. Even in the former case it would be unscientific to present production as "for the sake of the plan," because the plan is something subjective and the aim of production is something objective. The plan is merely a means to organize economic activities and not the aim itself. At first hearing, the term "production for the sake of the plan" seems to sound reasonable, but actually it obscures the aim of socialist production. It is not in the least a depreciation of the importance of plans when we do not present production as "for the sake of the plan," but we merely do not want to mix up planning with aims of production.

To present production as "for the sake of the political line" is equally wrong. We are determined to firmly and unshakably implement the correct political line of the party, but we cannot deduce therefrom that production is "for the sake of the political line." Both "production for the sake of the political line" and "production for the sake of the revolution" are seemingly correct but actually wrong concepts, because they regard political line and revolution themselves as the aim of production. Even if we have to admit that such slogans as "production for the sake of the political line" and "production for the sake of the revolution" (also as "till the land for the revolution" and "work for the revolution") played an active role in arousing the production zeal of the masses, we should still like to ask: what are political line and revolution? They are means to accomplish certain political and economic tasks and not the objectives themselves (only in a certain sense we may say that revolution is an objective). To present production "for the sake of the political line" is therefore equally obscuring the true aim of socialist production.

4. In Discussing the Purposiveness of Production, Do We Ignore the Means?

Some comrades are of the opinion that to set forth and emphasize the purpose of socialist production is aiming only at the objective and ignoring production, striking out at production, is "suppressing production by purpose." There is no reason at all for this kind of unwarranted charge.

What aspects did we after all emphasize and what aspects did we ignore during the last 20 odd years in the relations between economic construction and people's livelihood and in the relation between production aims and the means and methods of production? Many facts prove that we one-sidedly emphasized the need for economic construction and ignored the improvement of the people's livelihood, and that we one-sidedly emphasized production, this means to an end, and ignored the aim in itself. Starting out from these true facts of the situation, what is there then to criticize if we bring out for discussion the aim of production, to correct our orientation in matters of production? How can one drag in that this is "suppressing the production aspect by the aspect of objectives?"

Does focusing on a discussion of the aim of production mean that we want to ignore production and strike out at production? Certainly not. Due to the fact that in the past those directing our production were not fully clear about the aims of socialist production and thus deviated from the objectives of production in guiding our production, that there arose the tendency to take production as "for the sake of production." A discussion of the aim of production has for its purpose to correct the guiding ideology in those directing our production, to enable them to organize production firmly and unshakably according to the aim of socialist production and to channel production on to the right track of satisfying the needs of the people. Can this be called ignoring production or striking out against production? To place strong emphasis on the aim itself of all production means to attach importance to production and work for success in production. How can you cross a river without a bridge? Without successful production as the means for the hoped-for end, how can the aim of production be achieved? Successful production is therefore an indispensable precondition for realizing the aim of production. Without attaching importance to production, without making a success of production, the best production aims will only be castles in the air. The objectives and the means to reach them are conditional to each other, promote each other, supplement and accomplish each other. We must firmly maintain the unity of aim and means and methods.

5. Can a Discussion of the Aim of Production Harm the Work of Modernization Divert General Attention Toward Pursuit of Personal Interests?

Some comrades said: Why, when we are in the process of turning the focus of our work on to new targets, when work is not yet proceeding very smoothly, when disturbing interferences are still occurring occasionally, when ideology and energy are not yet easily concentrated...these circumstances, in the final analysis, are all due to the fact that the evil influences spread by Lin Biao and the "gang of four" have not yet been eliminated, but also due to the fact that some people are not clear what after all the position is that is to be occupied by the four modernizations? What place is to be occupied by production? Into what direction is the attention of the broad masses to be directed? They all say: If you think of really raising the livelihood of the people, we must first of all raise production. Empty talk of improving livelihood without emphasizing production is useless no matter how loud this tune is played. To direct the attention of the people away from the development of production toward pursuing personal interests, not to emphasize that we must pursue the four modernizations with one heart and one mind, or to go so far as to give up our tradition of frugal living and arduous struggle, is displaying no true concern for the material intersts of the people, but would be doing harm to the basic interests of the people.

The above viewpoints seem to regard a discussion of the aim of production not only of no benefit but even as harmful. It is very worthwhile to have everyone discuss these viewpoints most seriously.

Firstly, what is the relationship between the aim of socialist production and the four modernizations? Is a discussion of the aim of production of benefit for turning the focus of our work to new targets and of benefit for the work of the four modernizations, or is it just the opposite? In our opinion, it can only be the former and certainly not the latter. People have learned from past bitter experiences that the work for modernization will surely end up in failure if the purpose is not first made clear. What then is the fundamental purpose of modernization? At the Third Session of the Fifth National People's Congress it was repeatedly pointed out: "The fundamental purpose in our work for modernization is the gradual improvement of our people's material and cultural livelihood on the basis of a developing production." If that is so, how can a clarification of the aim of production disturb our efforts to turn the focus of our work toward new targets or obstruct the work toward the four modernizations? Nobody can draw such conclusions unless applying erroneous interpretations or holding bigotted views.

Secondly, is a discussion of the aim of production neglecting to emphasize the development of production, is it sounding off empty talk about improving the livelihood? In our opinion it is just the contrary. Discussion of the aim of production never touches on neglecting production, it is a clarification of the kind of guiding ideology that should direct the work of modernization in relation to the people's livelihood. Since the purpose of work for modernizations is to raise the material and cultural livelihood of the people, the guiding ideology in determining our economic plan must not fix all attention on how high or low the production index is but should concern itself with the extent to which the people's livelihood will be improved year by year, and this is the question that should be placed in a position of priority. Furthermore, the achievements of our work toward modernization must be reflected in an improvement in the people's livelihood, and the ultimate criterion to measure our success in the work of modernization must be the extent to which the people's livelihood has been improved. Only if the work of modernization can bring about year by year improvements in the people's livelihood, only if this work can bring them more and more material benefits which they can see and feel, will they believe in the advantages of modernization, and as a consequence will they devote themselves with even greater enthusiasm and motivation to the work of modernization.

Thirdly, can the discussion of the aim of production divert general attention to the pursuit of personal interests and harm the fundamental interests of the people? One of the important objectives of the present discussion is to have the leadership and the masses correctly understand and implement the party's policy of gradually improving the people's livelihood on the basis of the developing production. On the one hand we must admit that for the last 20 odd years the people's livelihood has not experienced any improvement to speak of, in some respects it has even deteriorated. On the basis of our financial strength and material capability, we are determined to exert efforts to effect a continuous improvement in the people's livelihood and to gradually settle the debt left over for many years with respect to the people's livelihood. On the other hand we must also explain to the masses that we can improve the people's livelihood only in accordance with our capabilities. During the last few years, the party and the government have already adopted many measures and made extremely great efforts to raise the level of the people's livelihood. The debt with respect to the people's livelihood can be settled only gradually on the basis of further development of production and of improved productivity, and demands in this respect must not be too impatient, too high or too fast. Our people are reasonable and take the situation as a whole into consideration. As long as we clarify the actual situation and the true reasons, there will be no exclusive concern by individuals for their personal benefits without regard for production, and certainly no harmful consequences for the basic interests of the people.

Fourthly, can the discussion of the aim of production and mention of the immediate interests of the people impede our efforts to work with one heart and one mind for the four modernizations and cause us to lose the spirit of hard work and arduous struggle? The central point at issue here is not whether we want this "working with one heart and one mind," but rather how to achieve this attitude of working with one heart and one mind. Can it be achieved by merely propounding that the immediate interests have to serve those in the far future without at the same time giving consideration to the immediate interests too and without satisfying the most fundamental livelihood needs of the people? To achieve the attitude of working with one heart and one mind, we must pay attention to both, the service to the future and the equal consideration of immediate interests and must not place these two aspects into hostile opposition. For many years it was exactly this sole consideration for service to the future without consideration for the immediate interests and the emphasis, to an unreasonable degree, on the future benefits that was our mistake. As to the spirit of hard work and arduous struggle, of course we do not want to lose that, but must subject it to a practical and realistic analysis. Speaking of every member of the leadership cadres, especially those of the higher ranks, we want each to set a personal example, take the lead in hard work and arduous struggle and share comforts and hardships with the masses. Speaking of the broad masses, their level of livelihood is very low, they have already had several decades of hard work and arduous struggle and we should not make further excessive demands on them. To ask them to tighten their belts and work for the four modernizations won't do. If we were to do that, we would continue to separate ourselves from the masses.

That so many different viewpoints should be set forth in the course of our discussion of the aim of production is unavoidable and also normal. However, we must pay attention to some opinions; these opinions are not branches of the general theoretical viewpoint, but are expressions of an ultraleftist trend. Regardless of whether we discuss the aim of socialist production or are engaged in realizing the aim of socialist production, it is therefore an important task to continuously criticize the influences of the ultraleftist ideological trend.

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GOALS OF SOCIALIST PRODUCTION DISCUSSED

Goals, Readjustment

Beijing RENMIN RIBAO in Chinese 8 Dec 80 p 3

[Speech by Yu Guangyuan [0060 0342 6678]: "The Goals of Production and Economic Readjustment--delivered at the National Discussion Meeting on 4 December"]

[Text] To reduce the financial deficit, to stabilize the prices of consumer goods and to protect and gradually improve the people's livelihood, we must have the strongest determination to shorten the capital construction front--a task which we have advocated year after year and yet failed to accomplish. This is an important step forward in the readjustment of the national economy. The present discussion on the question of goals of socialist production must be closely combined with the implementation of the policy of readjustment of our national economy. We have reason to hope that this discussion will play an active role in giving us a better idea of the necessity of such a readjustment, in helping us understand its orientation, and in improving our national economic structure.

As we know, the economic readjustment we are talking about refers to the formulation of national economic policy for dealing with the serious imbalance between accumulation and consumption which was created over a long period in our country. This serious imbalance can be attributed to two factors of different natures. One of them is the one-sided stress on industry, the excessive ratio of investments in heavy industry and the excessive commitment of the heavy industry in serving itself. This has led to a corresponding decline in the production of consumer goods, and the relative increase of purchasing power of the workers and staff members in the heavy industry sector has aggravated the contradiction between the demand and the production of consumer goods. The other factor is the excessive number of projects for heavy industry, with the result that huge sums of money have been tied up for a long time by the "projects under construction" instead of being used to finance the production of consumer goods. However, the demand for consumer goods continues to increase even though the capital construction projects have not been transformed into production power. This further intensifies the contradiction between the demand and production of consumer goods. The first situation is the lack of understanding of the goals of socialist production, and the second is poor planning and management when the proportionate relationship between accumulation and consumption has been determined. Here the lack of understanding of the goals of socialist production plays only an indirect role. Of these two factors, the first is the basic one. Therefore, for a basic adjustment of the proportionate relationship between accumulation and consumption, we must place the goals of socialist production in the foremost position.

Because of the long disruption from the leftist errors and by Lin Biao and the "gang of four," this imbalance has long been an established fact. Before the Third Plenum of the 11th Central Committee, however, the seriousness of this disproportion was not sufficiently realized, and it was not until the spring of 1979 that the prime importance of the policy of readjustment was recognized. This policy played an important role in ending this serious imbalance. Yet we have met with no little resistance in implementing this policy. In both public statements and actual deeds, there have been signs of resistance. Thus its implementation was impossible in certain sectors and areas. There are many causes for this kind of resistance, one of which is that the most serious misconception causing the imbalance between accumulation and consumption--the misconception of the goals of socialist production--has not been corrected. Therefore, discussion on and a better understanding of the goals of socialist production has become an important factor in removing a mental hurdle and in implementing the policy of readjustment.

Such were the circumstances in September 1979 when it was proposed that a discussion be held on the goals of socialist production. Similar to the resistance encountered by the policy of readjustment, this argument was advanced soon after the discussion started: "We have been engaged in economic work for such a long time. Is it possible that we still do not know about the goals of socialist production?" Unfortunately, it is a fact that some comrades, long engaged in economic work, still do not understand what the goals of socialist production really are. Actually, there are many different views on the goals of production, such as "production for the sake of production," "production for the sake of fulfilling the quota," "production for the sake of completing a political task," "production in response to the great call," and so forth. These people do not understand that we should strive to fulfill the quotas or respond to the calls only when these quotas and calls can correctly reflect social needs, and that they themselves do not constitute the goals of socialist production. Although last year's discussion was suspended, it nevertheless attracted people's attention to this problem and gave people food for thought. It has played no small part in preparing people's minds for implementing the policy of economic readjustment.

The policy of economic readjustment is a positive one, because its implementation will provide a reliable advance post for our national economic development, help improve the structure of our national economy, and eventually enable our socialist economy to undergo a sustained and fairly rapid development. The problem to be solved by the discussion on the goals of socialist production is precisely the most fundamental theoretical problem of this readjustment. It was quite clear that in discussing the goals of socialist production, we did not mean to confine our discussion to the improvement of people's living conditions and to leave out the subject of production. During the discussion, what the economists studied was how to better conform to the socialist pattern of production. Discussion on the goals of socialist production, of course, cannot automatically solve the numerous specific economic problems raised in the course of readjustment, because the solution of these problems must go through a series of intermediary links. However, if we probe more deeply into this question by combining abstract theories with realities and thus gain better scientific results, then it will clearly point out the direction for the further study and solution of the problems.

It should be pointed out that the question of the goals of socialist production should be discussed not only in the light of our interpretation of the national economic readjustment policy, but also with respect to the real problems to be encountered in the course of economic readjustment. According to the correct guiding precept that the goals of socialist production should be to provide the satisfaction of the people's constantly rising requirements, we should resolutely shorten the capital construction front and at the same time try every possible means to tap the potential for developing the production of consumer goods. Only thus can we safeguard the people's livelihood, stabilize commodity prices, increase revenues and reduce deficits. We have great potential for developing the production of consumer goods at present, and the appropriate reduction of capital construction projects will provide even better conditions for developing this production. We must find some suitable ways to fully tap this potential. At present, the people's needs for consumer goods cannot be satisfied, and we are short of the required equipment and the capital goods for producing more consumer goods. Therefore, we must endeavor to offer maximum consumer goods and better service for the people, and also see to it that heavy industry should serve the production of consumer goods. To provide good services in these two respects means to turn this theoretical issue into the major specific question to be solved by our production practice, while we are discussing the goals of socialist production and under present conditions. Furthermore, the necessary means of production supplied by heavy industry is one of the most important means for tapping potential in the production of consumer goods. At the same time, we should perseveringly keep up the restructuring of systems and eliminate anything that may hamper the development of consumer goods production. We must carefully coordinate readjustment with restructuring instead of setting them against each other. This is the prerequisite for attaining the goals of socialist production.

Important Role of Functional Departments

Beijing GUANGMING RIBAO in Chinese 29 Nov 80 p 4

[Article by Yu Guangyuan [0060 0342 6678]: "Functional Departments Must Pay Serious Attention to the Discussion of Goals of Socialist Production"]

[Text] What are the goals of socialist production? This is not only an important theoretical question in political economics, but also a fundamental question of orientation for the practice of socialist construction. Therefore, it is quite reasonable that discussion of this question not only be the concern of theoretical workers, but also of many practical workers. It is also generally agreed that this discussion will greatly benefit the practical workers. We have every reason to hope that the scientific achievements gained in this discussion will ultimately be transformed into material achievements which will in turn play an important role in improving the people's material and cultural life.

Appreciation of the role of theory in guiding practical work is one of the special features of our Marxists. However, we must also note that between theory and reality, there are many intermediary links. This phenomenon is clear to everyone in the natural sciences. For example, $E = MC^2$ is the law for the transformation of static mass into energy. This is a purely scientific result according to Einstein's theory of relativity. Yet it is hard to tell how many intermediary links there are between this achievement and the application of atomic energy in real life. Generally speaking, in the natural sciences, the process from theory to actuality is as follows: On the basis of basic science, technical science is developed. Then on the basis of basic science and technical science, engineering technology is developed; and then through other activities and practice, a material result comes in finally achieved. The same process goes for social sciences and economics. As for the question now under discussion, economic principles and policies are developed from the theories of political economics; then from economic principles and policies, plans, measures and programs are developed; and finally, through various types of organizational work and painstaking efforts, the products and services are obtained to meet society's material and cultural requirements.

Following the discussion conducted in the fourth quarter of last year, we are again going to conduct a theoretical study of the goals of socialist production. However, a theoretical study per se is no our goal. Since we do not agree with the idea of "production for the sake of production," we also do not agree with the idea of "theory for the sake of theory." The goals of this discussion by our economic workers, like the goals of socialist production, is to provide maximum satisfaction of the people's constantly rising material and cultural requirements. Therefore, we cannot neglect the process from theory to reality on this question.

As for the discussion as it stands, it has gone beyond the confines of pure political economics and has touched on the questions of economic principles and policies. This is only natural. There are now still many questions in theory as well as policy which should be clarified and better understood. In the academic discussion meeting to be held in Beijing next month, many economic workers will air their views. However, it is generally agreed that the discussion should not be confined to general theories and policies, because this discussion has already produced its effects on the broad masses of practical workers who will, while at work, be able to think over this problem and ponder how to put the understanding of the goals of socialist production into effect in their own work. If the functional departments will take a serious view of this discussion and encourage the practical workers to participate in this discussion, then more cadres will be able to realize that it is wrong to produce only for the sake of production, or to produce blindly for the sake of fulfilling quotas handed down by the higher authorities. They will then be more aware of what should be done and improve their work accordingly.

We must also note that after obtaining a correct understanding of the goals of socialist production, these practical workers would still feel that the logics brought up in the theoretical workers' discussion are too general for them. They still need the kinds of scientific and technological knowledge equivalent to what is provided by technical science or engineering technology in the natural sciences, and apply these scientific conclusions to their own work.

For example, it is quite probable that those comrades engaged in the formulation of plans want to ascertain whether the theory of the goals of socialist production according to political economics will lead to the conclusion that planning and arrangements for production should begin with considerations of final products. How to arrive at this conclusion and how to work out the plan according to this conclusion? They will also quite probably want to learn, in the course of their own planning and work, how to make their practical activities conform to basic character of socialist production. In my opinion, this may be difficult for those who, for many years, have been guided by only the control figures of certain "main products" instead of proceeding from final products in planning. Here we need to solve not only the problems of ideology and understanding, but the problems of methodology and technology as well. The problem of inadequate knowledge of the goals of socialist production can be solved through discussions and study. However, there are still some new problems to be studied. Again in the case of planning, as an example, some people may have this question in mind: In view of our fairly difficult economic situation, will people think that beginning our planning from considerations of the people's needs, while there are no provisions in the plan for substantial improvements of the people's lives, will adversely affect their enthusiasm? Some other people may also think this way: If we set too high a goal in our planning for the improvement of people's livelihood and later fail to reach it, we will have made empty promises and land the state in a passive position. These worries are quite justified. However, I feel that we should consider still another aspect: If people cannot be aware of any tangible benefits as a result of their efforts, their enthusiasm for production cannot be fully aroused. Proceeding from social needs in working out our plan does not mean that the plan must specify the extent to which the people's needs are satisfied. These are two different things. In my opinion, the best way would be to set a target for raising the people's standard of living and include it in the plan. In the first place, this will help us look for the best means to improve the people's standard of living and include it in the plan. In the first place, this will help us look for the best means to improve the people's living conditions; in the second place, people will understand how we work. I feel that we should be honest with the people, and tell them clearly how far can we go, so that they will be mentally prepared for what we may temporarily fail to accomplish. By this means, our work will be under the people's supervision resulting in increased understanding and confidence in the government, and there can only be benefits. Of course, there are still some complex problems involved; things cannot be as simple as what I have described.

Aside from the problems of ideology and understanding, there are still problems of methodology and technology to be solved. The important problems are, for example, how to proceed from final products in working out the national economic plan and how to organize a correct balance. Proceeding from final products does not mean that the production of intermediary products can be ignored, or that even heavy industry, including the fuel industry, the metallurgy industry, the machinery industry and so forth, can be ignored. If such is the interpretation of the view that the goals of socialist production are to provide satisfaction of the constantly rising social requirements, then it is a misinterpretation or even a distortion. The problem lies in the process of planning and organizing a balance. There are many practical and detailed jobs to be done in this process.

I have here only mentioned planning as an example to show certain links between theory and reality. All functional departments have their own special characteristics as well their own problems in achieving the goals of socialist production and their own orientation of efforts. Therefore, these departments must encourage their own practical workers to participate in the discussion of this problem, to study from their own standpoint the way to translate the general theories under discussion into realities, and to arrive at the correct scientific conclusions on the way to fit in the work of their own departments with the goals of socialist production. Only thus can the problems in the work of functional departments be fairly satisfactorily solved. The serious attention of functional departments to the discussion of the goals of socialist production is a key issue.

(This is the text of the author's speech at the Beijing Regional Discussion Meeting on The Goals of Socialist Production, delivered on 15 November. The author made some revisions before its publication.)

Nature, Significance of Discussion

Beijing GUANGMING RIBAO in Chinese 29 Nov 80 p 4

[Article by Li Yue [2621 1846]: "On the Nature and Significance of the Discussion of the Goals of Socialist Production"]

[Text] In discussing the nature and significance of socialist production, I would like to make the following four points:

First, this discussion is related to the continuation and development of the discussion on the criterion of truth in the economic sphere. I hold that in economic theories and economic work, there has also been the problem with the "two whatever's" guiding precept. For example, Comrade Li Fuchun [2621 1381 2504], during his term of office in the State Planning Commission, formulated the third five-year plan according to the ideas of Comrades Chen Yun and Deng Xiaoping in 1964. The starting point and end result of this plan was to provide satisfaction of the people's needs for "food, clothing, and other necessities." Unfortunately, it was rejected and the comrades concerned were criticized, while, as a contrast, the plan based on "taking steel as the key link" and the vigorous development of three-link construction was approved and commended. Since then, any action in accordance with this plan was considered correct and any economic planning or guidance for economic work designed to satisfy the people's needs were considered erroneous and criticized.

Secondly, the purpose of this discussion is to correct the leftist line and leftist thinking, and to readjust the national economy. For a long time, particularly during the "3 years' Great Leap Forward" and the "Great Cultural Revolution," leftist errors on the economic front were vividly shown in the desire for high targets and high speed for production regardless of the need for the improvement of the people's livelihood, and these errors even bore a stamp of approval as being revolutionary in spirit. This brought about a serious basic imbalance in our national economy. After the "gang of four" were smashed, there should have been a period of recuperation and vigorous readjustment. Unfortunately, these measures were not carried out, and another leap forward took place in 1978. In that year, steel output increased by more than 7 million tons, and the accumulation rate rose to 36.5 percent from 24.2 percent in the first five-year plan. Let me ask: If the error of "production for the sake of production" cannot be basically corrected, how can we effectively readjust our national economy.

Thirdly, this discussion is held at the desire and urgent requests of the broad masses. In the past 30 years, we have invested hundreds of billions of yuan on economic construction and the people have paid a heavy price by cutting back on their food, clothing and other necessities. Although production developed very rapidly and the number of capital construction projects has been greatly increased, the standard of living for the people is still very low. In the 20 years from 1958 to 1979, the standard of living has gone down instead of rising. Although there are many causes for these poor results, one of the principal ones is the erroneous guiding precept of "production for the sake of production" in our economic work.

Fourthly, since its beginning last year, this discussion has now developed into a widespread national event participated in by economists, professors, common economic theoretical workers and economic workers, as well as leaders at various levels and the broad masses. Through this discussion, more and more comrades have come to realize that in order to promote economic construction and accelerate the four modernizations, the satisfaction of people's needs must serve as the starting point as well as the end result. Unfortunately, the discussion was suspended because of some differences of opinions, and this suspension brought losses to our economic work and research. This lesson must be well remembered.

To sum up, a clear understanding of the goals of socialist production is an important factor of the orientation in socialist construction, and a thorough discussion on this subject is of great theoretical and practical significance in eliminating the pernicious leftist influence, in developing the science of economics and in promoting the modernization drive.

Indiscriminate Use of Slogans Deplored

Beijing GUANGMING RIBAO in Chinese 29 Nov 80 p 4

[Article by Wang Yongjiang [3769 3057 3068]: "We Must Not Use Slogans Indiscriminately in Guiding Economic Construction"]

[Text] Our socialist country has been in existence for 31 years. During this long period, the goals of our socialist production have still not been well realized, and this affects the improvement of the people's material life as well as the full and free development and use of their physical and intellectual powers. There are certainly many causes for this situation, but, in my opinion, the basic cause is the problem of the guiding precepts for our economic work. In this respect, a lesson to be well remembered is that we must not use slogans indiscriminately in directing economic construction.

Instead of endeavoring to explore the objective laws of socialist economic development and formulating our principles and policies to develop our economy on the basis of these objective laws, we have for many years generated slogans out of wishful thinking, and used these slogans as the laws or principles of socialist construction. Even our theoretical research has to be confined to the interpretation and exposition of these slogans. Certainly, slogans are quite important in socialist revolution and construction. Using simple words to highlight the main theme and to present a distinctive goal, slogans do play a certain role in propaganda and organizational work. However, they must be adaptable to the requirements of objective economic development before they can arouse people's militant spirit and mobilize them in the struggle for the completion of any central task. Slogans themselves are not laws; nor can they be indiscriminately used throughout the country as guiding principles for the development of national economy regardless of the differences in regions, trades and times; otherwise they will bring harm to the national economy. Such instances have been only too numerous.

For example, just why does a socialist society engage in production? This should be a very simple question, because the obvious answer is the maximum satisfaction of the people's constantly rising material and cultural requirements. This is not a slogan but a reflection of objective economic laws, and should be the basic policy for all undertakings in our socialist economic construction. Yet, for many years, people were required to "produce for the sake of the revolution," "produce for the sake of the line," and "produce for the sake of completing the plan," thus discarding the real substance of socialist reproduction. Revolution, line and plan are not the goals of socialist production. We need revolution, line and plan only because they provide the conditions, or even the prerequisites, for attaining the goals of production. Yet, despite their importance in these respects, they cannot be the goals of production. If people are required to produce for the sake of revolution, then people cannot halp but ask: What is revolution for? The answer is: Revolution for the sake of production. Thus production is for the sake of revolution and revolution is for the sake of production. This will turn a serious theoretical issue into some kind of word-game or sophistry.

After the downfall of the gang of four, the slogan "production for the sake of the four modernizations" was proposed as a long-term task for our people hereafter. However, the "four modernizations" are themselves not the goal. In the course of the "four modernizations," we must correctly handle the relationships between the laboring people's long-range and immediate benefits and between the whole and the partial benefits. We must never disregard the people's immediate benefits and the workers' personal benefits in responding to the slogan "everything for the four modernizations." If these benefits are really disregarded, the "four modernizations" can only be an empty slogan having nothing whatsoever to do with people's personal benefits, and the people's enthusiasm cannot be fully aroused. As a result, the "four modernizations," even with the genuine intention of bringing benefits to the people, will not be accomplished.

We have suffered a very great deal from the indiscriminate use of slogans. "Production for the sake of planning" and "production for the sake of the line" have been the slogans indiscriminately used. Practice has proved that our economic losses have been tremendous under the guidance of these erroneous slogans. So let us restore the original features of Marxism and produce "for maximum satisfaction of the people's needs in their material and cultural life"!

Two Different Starting Points

Beijing GUANGMING RIBAO in Chinese 29 Nov 80 p 4

[Article by Rong Wenzuo [2051 2429 0146]: "Two Theories Regarding Our Starting Point"]

[Text] In discussing the goals of socialist production, people are apt to quote from Stalin's exposition of the basic economic laws of socialism in exploring the relationship between the "means" and the "end." According to Comrade Stalin, the means of attaining the goals of socialist production should be "on the basis of higher techniques." These remarks deserve very careful study.

It is our common desire to develop socialist production "on the basis of higher techniques." But the question is: "What do we do when we have no such basis?" High and low are only relative. Technical levels vary among different socialist countries; even in the same socialist country, the coexistence of advanced technology, middle-level technology and backward handicrafts is quite common. If socialist production can only take place "on the basis of higher techniques," what will a backward socialist country like ours do? If a socialist country can only adopt highly advanced technology to continually increase and improve its production, can it eliminate its middle-level and backward technology all at once? After all, this will involve many problems in practice.

We met with a setback at the very start when we adopted this theory to guide our practice in the light of the realities of our socialist construction. In 1978, when our country was beginning its march toward the four modernizations, there were basically two different views on what starting point to use for our socialist modernization drive. One of them advocated the theory of a high starting point, namely, we should start from the advanced technical standards of the 1970's instead of the actual technical standards in our country. This view in effect embodied the theory of "the basis of higher techniques."

What if we did not have the required conditions? We import advanced technology on a large scale, and the higher the technical level, the better. Thus more than 20 gigantic projects were decided on under such a guiding thought. Technically, these projects were really of the advanced level, but the amount of investments was appalling and the construction periods of the majority of these projects were so long that it is hard to tell when they can bring in any return. Instead of any sign of benefit, our burden has become increasingly heavy. Besides creating the serious problem of the source of foreign exchange and the contradiction between raising labor productivity and full employment, these projects are taking up a very large portion of our national capital construction investments and are exerting a severe strain on our resources. In the final analysis, this is the result of a flagrant disregard of realities in our country.

What are the most significant realities in our country? There are only two of them: A large population and a weak foundation. Boiled down to their final essence, these two realities mean that economically, our country has high labor density but no "basis of higher techniques" and no capital (technical) density. Therefore, we cannot use a high starting point. Then what should be the actual starting point? According to the national economy of 1978, the average per capita income was less than 200 dollars. This is a comprehensive reflection of our large population and weak foundation, which exist objectively and are independent of people's will. In the light industry system in the same year, there were some 69,000 enterprises with a total personnel of 10.45 million, a total output value of 80 billion yuan and some 18 billion yuan of fixed assets in net value. Such is the basis of our light industry's march toward modernization. Therefore, I am not in favor of the high starting point theory but rather advocate the idea of proceeding from reality. There are three special points:

First, use the present technical level of enterprises as the basis. Tapping the potential of existing enterprises and renovating and transforming their equipment can generally save one half to two-thirds of the investments required for building new enterprises. This is particularly important during the readjustment stage. Of course, we still need some new enterprises and some imported advanced technology. However, we must not be over-committed. We must adhere to the principle of self-reliance as the principal means and strive for foreign aid as a supplement only.

Secondly, set up a multi-level technical structure. Our means for attaining the goals of socialist production must not be "on a basis of higher techniques" which is divorced from realities. Proceeding from reality, it should be based on a combination of advanced technology, middle-level technology (applied technology) and the necessary handicrafts, all of which combine to form a multi-level technical structure. For this purpose, and given the predominance of the public ownership in our country should take various forms, because the relations of production must correspond with the level of the development of productive forces.

Thirdly, take the road of a light economic structure. This calls for our correct handling of the relationships between agriculture, light industry and heavy industry, and a national economic planning strictly in the priority order of agriculture, light industry and heavy industry. Priority should be given to light and textile industries which require less investments, absorb more labor and yield quick returns with large accumulations, and to the trades developed on the basis of handicraft and requiring high labor density. Thus light industry will support heavy industry; handicraft will support mechanization; and the trades with high labor density will promote the development of trades with high capital (technical) density.

These three points seem to be very low key. However, if we will proceed from reality in our country, they are practical and can help accelerate the accomplishment of the four modernizations. They are also effective measures in securing the maximum satisfaction of the constantly rising material and cultural requirements of the whole society.

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SELF-MANAGEMENT RIGHTS FOR SUBORDINATE FACTORIES URGED

Beijing JINGJI GUANLI [ECONOMIC MANAGEMENT] in Chinese No 9, 1980 pp 17-18, 49

[Article by Zhuang Qidong [8369 0796 2639] and Sun Keliang [1327 0344 0081]: "A Company Should Not Deprive Its Subordinate Factories of Self-Management Rights--An Essay on an Investigation of the Changzhou Diesel Engine Factory"]

[Text] The Changzhou Diesel Engine Factory is one of the subordinate plants of the Changzhou Tractor Company. This factory's main product is the model S195 diesel engine, and it has maintained high quality for 7 years in a row. Last year it received a silver medal from the state and was also named as one of the nation's advanced enterprises. The Changzhou Tractor Company, founded in January of last year, was based on a coordinated production line in walking tractors. It now has 13 subordinate factories. The diesel engine factory is one of the company's two main engine factories (the other is the Changzhou Tractor Factory).

After the diesel engine factory was transferred from the Municipal Bureau of Machinery to the tractor company, not only was it unable to develop production freely, but it also felt even more restricted and that its self-management rights were fewer and fewer. The reason for this is basically that the tractor company inherited all the administrative and management practices the Bureau of Machinery had used in the past, and on top of that aggravated the situation even further when the upper echelons, eager to assume the rights of the subordinate factories without regard to the appropriate moment or conditions, attempted to run everything. This action seriously dampened the enthusiasm of the subordinate factories. The comrades of the factory said: "Before the company was founded our factory was a son; after the company was founded our factory became a grandson. Our seniority keeps getting lower and lower and our rights fewer and fewer, but our responsibilities and duties keep getting bigger and bigger."

I. A few examples.

A. The diesel engine factory was designated by the Ministry of Finance as a test enterprise for expanding self-management rights. According to the regulations on distribution of profits, in 1979 they should have retained 783,000 yuan of the profits, but the company allocated them only 530,000 yuan. The remainder was taken by the company in the name of "big plants should look after small plants." In the final analysis it seems that within the company, everyone continues to eat in the same canteen.

Another example: According to state regulations, the 3 percent of its own funds that an enterprise can use to cover the costs of testing a new product or for education the company proposed that it control, yet the factory still had to pay out the expenses. This is equivalent to seizure of the funds.

There are many such instances of equalitarianism and indiscriminate transfers of factory funds and harming the economic interests of factories like those described above, and they still continue to occur.

B. Interfering in the direction of the factory's production. In June of this year, the factory's new 395 diesel engine matched with a generator from the Mindong Electric Motor Factory was urgently waiting for improvement of the muffler so it could be exported. Earlier, concerted action had already been taken to work out a coordinated relationship. As soon as the company learned of this, it instructed the cooperating factories: "In the future, all cooperative tasks for new products to be undertaken by the diesel engine factory must be approved by the company, and without company approval, no such cooperative task will be permitted." At the same time, the company warned: "Otherwise we will stop issuing bonuses to you." This intimidated the cooperating factories so that they explained to the factory: "It isn't that we don't want to cooperate, but that we cannot bear the pressure from the company." This kind of action on the part of the company not only influenced production, but also harmed the cooperative relationship between subordinate factories that had taken a long time to develop.

Another example: The factory had to add three more holes to a diesel pump to meet the design demands for a product, but the company, without even really looking into the matter, would not approve the changes, so that the factory has no way to exercise normal rights of directing production.

In addition, the company adopted a form of shifting warehouse units, wilfully transferring the factory's materials and equipment, messing up the taizhang [0669 1600] and the inventory cards which created confusion in the factory's handling of goods and materials.

C. Limited factory's selection of suitable companion plants. The quality of the head gasket for the 395 diesel engine manufactured by the Suzhou Agricultural Machinery Parts Plant meets specifications and costs only 3.2 yuan, but the same product produced by the allied factory within the company costs 26 yuan, over 7 times as much. Based on the need to lower commodity costs, the diesel engine factory was ready to choose the product from Suzhou as a companion part, but the company resolutely would not permit it and announced that from now on selections should be made first of all from within the company, and going outside at will to order goods was strictly prohibited. This way of doing things actually protected backwardness, obstructed competition, and harmed the economic interests of the diesel engine factory.

D. The company only wants rights and not responsibilities. On the one hand the company deprived the diesel engine factory completely of financial rights, production direction rights, resources rights and personnel rights, but on the other hand it assumed absolutely no responsibility for the evil consequences of its own arbitrary and impractical orders. In April of this year, the company bypassed the diesel engine factory and accepted directly external trade orders for 25 model 395 diesel engines, decided that they should be delivered that month and also demanded that the coupling be improved. At the time, the model 395 diesel engine had just gone into batch trial manufacture and it was difficult to meet export demand, so the factory was caught unprepared and was even unable to complete the mission. The factory not only did not criticize itself for this, but on the contrary, on the pretext that the factory had not completed its production output and variety, docked the diesel engine factory's bonus by over 2,500 yuan. No wonder the comrades at the factory said: "The company takes on the rights and passes off the responsibility. Reform this and reform that, but the rights and responsibilities get more scattered and distant."

Situations like the ones above have made the leadership cadres of the factory feel that leadership is hard and the work is hard. At the same time, they had some doubts about interposing a company of over 100 employees in between the Bureau of Machinery and the factory. They said, "We used to do a good job as a coordinated operation, so what was the necessity of establishing the company, and how is it superior?"

II. Several Ways of Looking at the Situation

A. The company should suit measures to local conditions and strive for efficiency, not pursue form, chase after fads and be roused to precipitate action. In terms of Changzhou, their experience in carrying our coordinated production was successful. In the coordinated production of walking tractors in particular, Changzhou was one of the earliest coordinated production units created, and already has a history of nearly 20 years and with a firm foundation and rich experience, production continues to develop. Under such circumstances, whether or not it was necessary to turn an important element of a coordinated production line into a company is a matter worthy of study. In terms of actual results, it is also hard to say how superior the company arrangement is to past coordinated production. At the same time as this, the Changzhou Municipal corduroy coordinated production up to now has not been anxious to become a company, but has maintained the coordinate form, using weekly analysis, monthly inspections and quarterly criticism, they have maintained quality and coordination, and solve questions by setting up a "coordinated management" of a number of people. Yet doing it this way did not interfere in the slightest with the self-management rights within the component factories, made them maintain a high degree of initiative so that production achieved great increases. By comparison, the establishment of the Changzhou Tractor Company was clearly superfluous and unnecessary. At the present time, the enthusiasm for companies created and run by the state is just in the ascendant, thus the question of the Changzhou Tractor Company should cause general serious consideration. We think that studying the experience of running a company abroad must not by only in appearance and formalistic, but should proceed from the actual situation in the local area. Sometimes our own "native" experience can be much more effective than "foreign" experience, so we do not absolutely have to copy "foreign" experience. In short, running a company is the same as running anything else. You must uphold principles which come from actuality.

B. Implementing unified management in terms of personnel, finance, materials, production, supply and marketing is a general demand for enterprise type companies. But, realizing this requires time and it can be implemented only after certain conditions have been reached. At the same time, whether or not the demand of "six in one" can unconditionally be applied in any locale or to any type company still merits study. The Changzhou Tractor Company has acted with too much haste as far as this matter is concerned, and too soon after establishment began to take the tasks of others into its own hands, encompassing everything, and tried to concentrate the rights of subordinate factories into its hands in a short period of time, while at the same time not accepting the necessary responsibility. We think that in the period right after a company is created it need not overemphasize implementing "six in one," let alone hurriedly implement "six in one." At first, it would do no harm to act as a "decentralized" company, mainly controlling the management direction, product quality and coordination, and then look into the situation to decide wiether it should go in the direction of "six in one." In this matter we whould also oppose doing "cutting with one knife" in the name of "six in one."

For a long time our factory enterprise had few self-management rights, and now with the cry to broaden enterprise self-management rights, just as the factory begins to enjoy a few self-management rights, unexpectedly the company comes running in to stand at the head of the factory and take away again the factory's self-management rights. Of course, this can give rise to negative feelings on the part of the factory and is not good for the development of production. We think that in expanding enterprise self-management rights, factory self-management rights should be expanded first of all. This is the foundation of self-management rights. As far as the company's self-management rights are concerned, they should be expanded as far as agencies above them are concerned and should not be expanded at the expense of the factory. How should the rights and responsibilities of the company and its subordinate factories be divided? This question requires additional study, and we will not go into it in any depth here.

C. The organization of the company should be based on the proposals of the department responsible and the principle of voluntary union on the part of the factory, and the voluntary participation on the part of the factory should be taken as the standard. A creation like the Changzhou Tractor Company is entirely an "arranged marriage" set up by the upper echelons. When it is set up there is reliance on administrative measures which basically do not take into consideration the actual situation and the expectations of the factory, with the result that things are not as good as they could be. Only 40 percent of the product of the diesel engine factory is a component part of the company's walking tractor. The other 60 percent is either a component of a product of a company outside the tractor company or used as an independent unit. Thus, the production management of this company has a certain independence and is not suited to handing over control totally to the tractor company. As regards such factories, it is not necessary to put it within the organizational system of another company, but cooperation and contractual economic forms could be used to bring it into a specialized cooperative system. This may be more beneficial to the mobilization of the initiative of the enterprise than the present "shotgun marriage" method.

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HARBIN SURVEYS RESIDENTS' ECONOMIC SITUATION

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[Text] According to HARBIN RIBAO, the results of a survey on the economic situation of some 300 staff members and workers' families conducted by the Harbin Municipal Statistical Bureau show that most of the families have increased their incomes. The real per capital monthly income of families of staff members and workers in Harbin Municipality averages 36.13 yuan, of which the income for living expenses amounts to 29.96 yuan. Families with an average income for living expenses of some 50 yuan account for 8 percent; those with 35 to 50 yuan account for 28 percent; those with 15 to 25 yuan account for 22 percent, and those below 15 yuan account for 2 percent. A change has taken place in the people's daily expenditures.

The results of the survey show that only 64.5 percent of the people's expenditures on commodities is spent on foodstuffs, that the proportion of expenditures on nonstaple food items, cigarettes, alcoholic beverages and tea has greatly increased, that the proportion of expenditures on grain has decreased to 28.1 percent and that expenditures on food and clothing have markedly increased.

The results of the survey by the Harbin Municipal Statistical Bureau notes that owing to increases in prices of commodities, the living standards of some staff members and workers who entered factories and state organs between 1958 and 1966 and whose wages have not been raised for years are rather low. Staff members and workers of state organs and cultural and educational and public health departments receive less income than those working in industrial and commercial departments. Owing to the influence of unhealthy tendencies, the average per household expenditures on entertaining guests and sending gifts increased from 6.3 yuan in 1965 to 16.4 yuan in 1980. These figures are based on information compiled from September to November 1980.

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ECONOMIC PLANNING

DISCUSSION OF GUIZHOU'S ECONOMIC STRUCTURE

Guiyang GUIZHOU RIBAO in Chinese 19 Nov 80 p 3

[Article by Pan Zhifu [3382 3112 1381]: "A Discussion of Regional Economic Structure and Some Questions Concerning the Structure of Guizhou's Economy"]

[Text] I

In order to accelerate the four modernizations it is necessary to build a logical economic structure. There is no a priori fixed model for a logical economic structure because it responds to changes in concrete conditions. However, no matter what the conditions, a logical economic structure must obey two principles: First, it must satisfy the demands of the basic economic laws of socialism, which means that to the greatest possible extent it must satisfy the goals of the people's cultural needs. Second, it must guarantee that the entire national economy attains maximum economic effectiveness. To attain this there must be thorough utilization of our economic superiorities and avoidance of our inferiorities. It is only with the unification of these two principles that we can form a logical economic structure.

The utilization of economic superiorities to build a logical economic structure is always the same process, whether it is building the economic structure of the whole nation or building a regional economic structure. However, in terms of the scope of the economic structure for the whole nation, and one with a population as great as our one billion people, one must build an independent, relatively complete economic system. Such economic construction must concentrate on self-reliance and primarily depend on one's own strength. If one relies on others and primarily on the international marketplace then should there one day be war there would be no way to deal with the situation and we would be controlled by others. However, for a single region or a single province there is no need at all to build such a complete economic system.

A comparison of a regional economic structure with the economic structure of an entire nation shows many obvious differences. A region is a component part of an entire nation and because socialized major production is organized and developed within the scope of the entire nation there must be organic unity between each region and the entire nation. Therefore, a region should not and indeed could not build a self reliant and independent all-round economic system. An economic structure is not a closed structure but rather is an open structure. A concrete analysis provides three major reasons why:

1. From the viewpoint of the reproduction of material goods the social products of the region cannot be consumed within that region alone and the products used within one region cannot come only from that region. This is to say that a region's product capacity and product structure cannot be identical with its consumption capacity and consumption structure. This contradiction is resolved through the movement of products in and out of each region and through the division of labor and exchanges between each region. Therefore, a regional economic structure does not exist independently and must unite the other regions, so it ought to be an open structure.

2. An examination of a region's reproduction from the viewpoint of value shows that the region's finances also cannot have a self reliant and independent system. A region's financial income cannot be entirely used within that region as one portion must always be turned over for concentrated utilization by the entire nation. On the other hand a region's financial expenses also have funds allocated from national finances. These financial payments and allocations cannot possibly be equal and cannot be identical in each region. Some are net payments to the higher authorities while others are net allocations to the region. Generally speaking, regions wherein construction is stressed or which are economically backwards are net allocation regions while economically developed regions are net payment regions. This is to say that from the viewpoint of value the amount of economic income created by a region cannot be completely identical with the amount of national income it uses. Because of this a regional structure must be an open structure.

3. From the viewpoint of the special features of a region's overall balance, first there is the balance between the total amount of goods and materials a region can provide and the total amount of social needs of a region. This differs from the special features of the whole nation. Because a region is one of either net payments or net allocations the total amount of a region's social needs can be either greater or smaller than the total amount of the value of a region's social production. Because goods and materials can be brought in or shipped out the total amount of goods and materials that can be supplied can also be greater or smaller than the total amount of actual goods produced by a region. Because of this, when the state either collects or allocates a region's finances, credit or capital it must do so in the same way that it collects or allocates goods or materials. On the other hand, the region must also follow the nation's general plan and give some thought to its cooperative relationships in the division of labor, which means to consider the payment or allocation of finances and the shipping out and bringing in of goods and materials. This is done in order to arrive at a balance between

the total amount of the region's social needs and the total amount of goods and materials it can supply. Next, in the region's overall balance there also are features in the two major types of products and the two types of funds (accumulation funds and consumption funds) which differ from conditions on the national level. It it obvious that these two different features determine the logical proportion between a region's accumulation and consumption and determines the necessity of the logical rate of accumulation. If the category I oducts this region can use for expanded reproduction do not suit the scope of basic construction, when quantities for category I type products are determined there are two possible choices of action: one is to adjust the quantity of category I products shipped in or out and the other is to adjust the model for basic construction. If after deducting the reserves of consumer goods and materials of category II products the amount that can be provided and the consumer funds are unsuitable, and when category II type production does not change, then there still are only two methods to choose from: either adjust the shipping out or bringing in of category II products to achieve a balance or achieve a balance through reduced consumption. Reduced consumption primarily means reducing the collective portion of consumption, such as in non-production administrative expenses or to expand individual savings to delay one portion of individual consumption.

The above material demonstrates that a regional economic structure is not an independent closed structure but ought to be an open structure which forms an organic unity with the economic structure according to the needs of national economic development and the potential and superiorities of the region itself. Therefore, the region's economic development ought to make even greater use of its own superiorities and advantages so that its economic development will have its own distinguishing features. The direction in which specialization directs the superiorities of one region can supplement the inadequacies of other regions and the superiorities of other regions can supplement one's own inadequacies. Therefore, each region ought to follow the leadership of the state in precisely determining the direction of its main attack, guarantee the investment of people, finances and materials in the priority development of the superior departments to enable them to become a production base supplying the whole nation with their products, and simultaneously make these departments into leaders of the regions's economic development to promote development of all enterprises and operations in the area.

II

The main problem in our province's economic structure is that there is no logical structure of agriculture, light industry and heavy industry. Our agriculture is very backwards, and has an unstable foundation in the national economy. One weak link is that light industry has not reached its proper development. There is too much emphasis on heavy industry, it has exceeded the support capabilities provided by agriculture and light industry and moreover does not serve either agriculture or light industry.

In terms of agriculture, in 1979 our province's farm population stood at 88.5 percent of the total population, 4 percent higher than for the nation as a whole. Our farm labor force stood at 83 percent of the total social production forces, 9 percent higher than for the whole nation. This means that the great majority of the people produce food. However, our province's agricultural productivity rate is very low, each individual in the agricultural production force produces only 1,405 jin of foodgrains, 753 jin lower than the nation as a whole. This is many tens of times, almost a hundred times lower than that of advanced nations. Consequently, the per capita average grain production for our province is only 456 jin, 228 jin lower than the national average. Between 1958 and 1979 our provincal population increased 2.23 percent annually but foodgrain production increased only 0.69 percent annually, so the population increase far outstripped the foodgrain increase. Under such conditions we could not have high levels of grain rations and in 1958 several ten of thousands of production teams failed to reach the grain rations standards prescribed by the state, so there were insufficient rations of foodgrains in the cities and the towns. Agriculture is very backwards in our province, which is further indicated in the the illogical structure of the agriculture we practice. Guizhou is "eight parts mountain, one part water and one part fields," the climate is warm, there is high humidity and much rain with correspondingly little sunshine. Such conditions are very favorable for developing forestry and animal husbandry. But for a long time we have performed only agriculture, destroyed the forests, opened up wastelands and gone to the mountains to raise food, with the result that animal husbandry and forestry remained undeveloped. In 1978 our province's farm cultivation stood at 66.1 percent of the total value of agricultural production while forestry, animal husbandry, side-line occupations and fishery stood at 33.9 percent. In agriculture foodgrains stood at about 70 percent while various economic crops made up the remaining 30 percent. This shows that agriculture in our province is basically the cultivation of foodgrains which is a kind of self-reliant backwards structure of agriculture. This sort of agricultural structure cannot possibly make complete use of our national resources and labor force resources. Not only are there foodgrain shortages, all other agricultural sideline products also suffer shortages. The farmers also have low levels of income, in 1979 rural commune personnel had an average income of 46.4 yuan while the national average was 83.4 yuan. There also was a considerable amount paid to households which were unable to make ends meet. Even more serious is the illogical structure of agriculture and the predatory style of management which destroys the ecological balance. Our province is a well-forested mountainous region, but there is only a 14.5 forest cover which is slightly higher than the national average of 12.7 percent higher than the national average but much lower than the 22 percent level which is found in forested areas throughout the rest of the world. Because of this we have had severe soil erosion and the climate has changed for the worse with increased drought so that in some places the saying "there never are three clear days in a row" has changed to "two out of every three years suffer from drought."

For a long time our province has not had proper development of light industry, which has greatly lagged behind heavy industry. To date there still are no departments for many light industry products of daily use. In 1958 the per capita production value in light industry was only 50.22 yuan, only one-fourth of the national average and the lowest in the whole nation. Therefore, our markets must depend on incoming shipments for over two-thirds of the supply of light industry products.

There are many reasons why light industry in Guizhou is so backwards. A major reason is that heavy industry has been emphasized to the point that agriculture and light industry have been pushed aside. In 1952 the production value in agriculture was 10.8 hundred million yuan, 1.75 hundred million yuan in light industry and 0.85 hundred million yuan in heavy industry. The ratios were 80.5 percent in agriculture, 13 percent in light industry and 6.5 percent in heavy industry. Obviously, Guizhou basically has a self-reliant agricultural economy. Although the combined ratios for agriculture and light industry had an overwhelming majority the standards were extremely low, with a production value of only 73 yuan per person and a production value in light industry of only 12 yuan per person. These were lower than the national average which was 84 yuan per person in agriculture and 38 yuan per person in light industry and obviously unable to satisfy the people's needs. Under such conditions we ought to place greater emphasis on the development of agriculture and light industry before we make any mention of needs in developing heavy industry. However, for 30 years both Guizhou and the entire nation have carried out a one-sided plan in the development of heavy industry. From 1950 to 1978 Guizhou invested 141.2 hundred million yuan in basic construction, of this only 4.3 percent was in agriculture, about one-third of the 11.9 percent for the whole nation. Only 2.5 percent was invested in light industry, less than half the ratio for the whole nation. However, 58.7 percent was invested in heavy industry, which is 4.8 percent higher than the the national average of 53.9 percent. In terms of absolute quantities, Guizhou's investment in heavy industry was 13 times greater than the investment in agriculture and 23 times greater than the investment in light industry. This plus the influence of extreme leftist policies on the agricultural economy made the speed of developments in agriculture and light industry much slower than the developments in heavy industry. Over these 30 years Guizhou's increase in total production value has increased 1.07 times in agriculture, 1.1 times in foodgrains and 9.2 times in light industry, but has increased 96.2 times in heavy industry. Because of this there were changes in the structure of agriculture, light industry and heavy industry. In 1952 the ratio of agriculture and light industry was 93.5 percent and this declined to 58.7 percent in 1979, while the 6.5 percent ratio for heavy industry climbed to 41.3 percent, which is a heavy economic structure. Although the heavy industry ratio is about equal to that of the whole nation this nonetheless is arrived at through the condition of a ratio in agriculture and light industry that is much lower than the absolute standards for the nation as a whole. Therefore, the scope of heavy industry in Guizhou quite clearly exceeds the support capabilities of agriculture and light industry. These conditions are first of all shown in the inadequate supplies of foodgrains. Over these 30 years Guizhou foodgrains production increased 1.1 times but the farm population also increased by almost 1-fold. Because of this the amount of surplus labor that agriculture was able to provide in supplying the cities and town with agricultural side-line products could not have any appreciable increase, which is to say that there was no clear increase in the support capability of agriculture. However, because of the one-sided development of heavy industry the non-farm population increased from 1.1176 million in 1949 to 3.059 million in 1978. Consequently there were major shortages of foodgrain supplies in the cities and towns and a province which had been self-reliant and an exporter of foodgrains during the 1950s then became a food importing province. Guizhou has also suffered long-term shortages of such side-line agricultural products as pork and vegetables, which also shows that heavy industry exceeded the support capabilities of agriculture. Besides this, the one-sided development of heavy industry in Guizhou also was not suitable for our light industry. The large-scale increase of heavy industry professionals and workers caused a rapid increase in the need for light industry products so there were long-term shortages of many light industry products in Guizhou and great quantities of them had to be imported. Furthermore, the unsuitability of the one-sided emphasis on heavy industry development for our agriculture and light industry is also shown in the the dislocation between the structure of heavy industry and the needs in agriculture and light industry. A relatively great portion of our heavy industry was developed in the three-line construction period after 1965, and of this a great amount was national defense industry with a very low proportion going toward serving agriculture and light industry.

There are many concrete reasons for our illogical economic structure, but basically speaking, we did not comply with the two basic principles for building a logical economic structure but rather neglected the demands of the fundamental laws of socialist economics and neglected the necessity of taking advantage of economic superiorities to achieve the greatest economic benefits.

I believe that neglect of the basic laws of socialist economics was not a conscious rejection of the goals of socialist production. Rather, in the choices between immediate benefits and long-term benefits and between individual benefits and overall benefits there was a one-sided emphasis on long-term overall benefits with an objective dismissal of immediate and individual benefits. Other reasons were urgent demands for success and blind pursuit of high quotas and great acceleration, overemphasis on the priority development of heavy industry and even the belief that taking the socialist road meant to give priority to developing heavy industry and that industrialization should start with heavy industry and also the belief that priority development of light industry was a capitalist road. Actually, capitalist nations first developed light industry, and even though this incorporates the capitalist profit motive it nonetheless does have economic logic. Light industry requires relatively little investment and the construction cycle is short so there is rapid development of economic benefits and a quick return on investments. In this way, on the one hand there is a relatively rapid accumulation of capital, and on the other hand there is development of the production of adequate supplies of livelihood materials. From this basis the development of heavy industry then does not cause any worries about things left undone.

In order to give Guizhou a logical economic structure we must act according to our actual conditions and precisely determine and give vent to our economic superiorities. Guizhou is a mountainous region and we depend on the mountains for sustenance. The mountains are superior for developing forestry and animal husbandry and there are abundant mineral resources beneath the mountains, with especialy abundant coal and water power resources. Guizhou has superior conditions for developing energy resources

Guizhou's present economic base is inferior, the people's livelihood urgently awaits improvements, we have inadequate capital and weak technology, and there are definite problems in shipping and transportation. Because of this, the intermediate and near future goal of economic development ought to be vigorous agricultural development, especially in animal husbandry and forestry, with corresponding developments in light industry to make our economic structure for the intermediate and near future have a certain degree of lightness. In this way we can increase market supplies, improve the people's livelihood and moreover improve our province's financial conditions in order to make preparations for even greater economic development and eliminate worries about things left undone.

Agricultural development should not concentrate only on foodgrains and there should not be forced attempts to cultivate grains on unsuitable land. We ought to give vent to Guizhou's superiority in tung oil, China fir, raw lacquer and rape in order to increase agricultural income. Moreover, we can use these superior products to trade for foodgrains on the domestic and international markets.

One of our superior farm products is flue-cured tobacco. Our natural conditions are very suitable for growing flue-cured tobacco, there is an abundance of the necessary oil-cake fertilizer, the peasants have had much experience with this crop, the leaf quality is very good, it is highly praised on domestic and foreign markets and this is one of the nation's four large flue-cured tobacco regions. We ought to proceed from the base of vigorous developments in flue-cured tobacco to make progress in developing a cigarette industry and take advantage of the superiority of our famous brand of cigarettes to enter the domestic and foreign markets. We also should develop industries related to the cigarette industry such as packaging materials and the like. From this base of agricultural developments we also should take steps to develop Guizhou's traditional alcohol distillery industry. Maotai wine and Dong wine are famous both in

China and abroad and intermediate grade wines have good sales both at home and abroad. Guizhou has 55 million mu of undeveloped mountains and hills which provide beneficial conditions for developing cattle raising. Guizhou is the foremost cattle production province and given the right policies there would be no problem in raising ten million head of cattle. From the basis of cattle and hog raising industries we can develop butchering and canning industries and a hide processing industry. Guizhou has conditions for developing cigarette, distillery, hide processing and paper-making industries and these ought to become the focal point for the intermediate and near future developments in light industry.

From the viewpoint of long-term developments, Guizhou ought to gradually create conditions to make full use of its superiority in mineral resources and in energy. Our province has proven coal reserves of 45 billion dun, secondary only to Shanxi and Nei Monggol. Moreover, there is a variety of coal types of relatively good quality. There already is a current annual production capability of over ten million dun, so we can become the coal center of South China and relieve the pressure to ship coal from north to south. With daily more severe conditions in the world energy crisis Guizhou's abundant coal supplies have already attracted attention on the international market. If we made proper use of foreign capital to develop transportation and other accessory and related departments as well as the coal chemical engineering industry this would stimulate development of the national economy throughout Guizhou. We must rely on our province's superiority in energy, develop the electric power industry and mine shaft power stations should be built in the the coal mine bases. Guizhou has 13.25 million kilowatts of hydroelectric power resources that can be developed and almost all of it remains yet untapped. The nation now has an energy shortage and Guizhou is blessed with abundant supplies so that electric power can be sold to the power grids outside our province.

Guizhou has an abundance of non-ferrous metals. There are proven bauxite reserves of over two hundred million dun, and we have already developed a certain level of production capability in aluminum, anodic oxidated aluminum and electrolytic aluminum, and we now are in the process of constructing an electrolytic aluminum project imported from Japan. The aluminum industry consumes a great amount of energy but Guizhou has abundant energy reserves and can become the nation's base for aluminum and we can also develop aluminum processing industries. In addition, there are conditions in Guizhou for developing a non-ferrous metals industry in titanium, antimony and mercury. Non-ferrous metals have a good international market, provide good returns and have a bright picture for future development.

The above material explains that in the long run Guizhou's economic structure will focus on the electric power, coal, non-ferrous metals and construction materials industries and thus might still retain a heavy structure. However, that heavy structure will be developed from the base of relatively high development and high absolute standards in agriculture and light industry, it will have an organic relationship with the national economy so that it can avoid suffering a loss of proportion, and it will make full use of the logical structure of Guizhou's resources and superiorities.

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ECONOMIC PLANNING

WORK CONFERENCE ON GUANGDONG ECONOMY HELD

Guangzhou NANFANG RIBAO in Chinese 22 Nov 80 pp 1, 2

[Article: "Completely Utilize Authority From the Central Committee to Quickly Improve the Guangdong Economy"]

[Text] On 18 and 19 November 1980 the Guangdong Provincial Party Committee held a work conference. Ren Zhongyi [0117 0112 1138], the first secretary of the provincial party committee transmitted important comments from the leading comrades of the central committee regarding the new work in Guangdong, summed up his own understanding and discussed his thoughts on how to implement the spirit of the remarks made by the leading comrades of the central committee. After 2 days of study and discussions all the comrades attending the conference felt that the CCP central committee and State Council greatly value our work in Guangdong because they repeatedly emphasized that we would be permitted to carry out special policies and lively actions, and in the hope that the construction of socialist modernization in Guangdong would make progress they gave us great authority and made great demands. Our whole province must unite from top to bottom, make a common effort, bravely and skillfully utilize the authority given by the central committee, make the special policies truly special, make the lively actions truly lively, be truly progressive, improve the economy of our province, and also give the people visible material benefits.

At the beginning of the conference Comrade Ren Zhongyi addressed over 1,600 party cadres, all of whom were of provincial or municipal bureau level or higher. His speech covered the directives from the central committee leadership comrades regarding the work in Guangdong province and was divided into seven topics. 1. There must be ideological liberation. The use of the special features of Guangdong province, improvement of the special districts, a search for rules, forging of new paths and creation of a correct model. The heart of the matter is economic development and improvement of the people's livelihood. 2. There must be special attention to Guangdong's difficulties and avoidance of blindness. Guangdong now has problems in energy, transportation and agriculture and these three problems place limits on economic construction. The government has great difficulty in providing large amounts of aid so we must mainly solve the problems ourselves. 3. We must start by firmly grasping policy. As soon as the policies are correct and put into operation the conditions will then quickly began to change. The province must give support to Guangzhou city by improving its work and extending its limits of authority. If Guangdong is able to make rapid improvements in Guangzhou's work then the problems will mostly be solved. 4. The people must be given visible material benefits to stimulate mass enthusiasm. Supplies in Guangdong are short and prices are high. This problem must be studied, and there must be increased food supplies placed on the market and a gradual reduction of prices. 5. In the handling of historical problems a general approach is preferred to overattention to detail because everyone should look to the future. Of course historical problems cannot be left untouched, but be more general, have more concern for one another and don't become engrossed in such matters. This is the only method that will do. The past is the past, and from now on the cadres will be watching your accomplishments to see if your manner is correct. The major problem now is construction and the the four modernizations. The organizational line must conform to the political line and the cadres will be seen in terms of the results of carrying out the political line. Guangdong has good basic conditions, the key is the mobilization of cadre enthusiasm. 6. The leadership style must be improved to establish a proper atmosphere. The current problem is inadequate education in party style, party character and party discipline and inadequate restraints. There must be more lectures, more education and more restraints and the advocacy of a realistic work style. Observing a cadre means to observe his work accomplishments because this is one kind of style and the one that should be encouraged. A lax, immoral style is strictly unacceptable. 7. Party leadership must be strengthened and improved. Party leadership ought to be the leadership of the direction and the policies of the party. The people must stand together. The party can not guarantee to carry out all matters because that would not be good leadership. The leadership groups must be well matched, with attention to the selection of middle-aged and young cadres and the proper arrangements for old cadres.

Following this Comrade Ren Zhongyi said: The party central and State Council greatly value the work in Guangdong, have issued many directives, have given Guangdong considerable authority and also have high expectations. This is to say that with greater authority greater results are expected. Before we came to Guangdong the leading comrades of the central committee gave a number of important talks on the extreme importance of the work in Guangdong. These provide us with the major policy directives for carrying out the work in Guangdong. We must sincerely implement them in each aspect of our work. Comrade Ren Zhongyi summed up his own understanding of how to carry out the spirit of the remarks made by the central committee leading comrades and presented this in three points.

Comrade Ren Zhongyi said the first point is that we must strengthen party unity and strengthen unity in the cadre ranks. Natural conditions in Guangdong are good and there are many superior features, but unless there is a proper sense of unity these superiorities are all wasted.

On the other hand, if in following the leadership of the party line we can only closely unite all levels of leadership groups, closely unite the cadre ranks, be of one heart and one mind both within and outside the party and struggle together, then we shall overcome our problems no matter how numerous. Countless facts prove that strength lies in unity and unity means victory, so that unity is extremely important. The leading comrades of the central committee place great importance on the question of unity. They pointed out that there must be a good relationship between the local cadres and the cadres who come from other places. We must have unity among people from all parts of the nation. Comrade Mao Zedong said, "We have come from all parts of the nation to work together for a common revolutionary goal." These words of Comrade Mao Zedong have real significance even today. We still are from all parts of the nation and have common revolutionary goals. Our current common revolutionary goals are to follow party central leadership in carrying out the four modernizations and continuously improve the people's livelihood from a developed economic foundation. With these common revolutionary goals we have hundreds and thousands of reasons for unity not even a single reason for disunity.

To achieve unity we must take a historical viewpoint to handle our remaining historical problems, be more general with less attention to detail and lead the people to look toward the future. The leading comrades of the central committee emphasized the words "more general" in regard to historical problems and repeatedly pointed out "this is the only approach to take." Past accounts that exist within our revolutionary ranks should not be re-opened. To re-open those old accounts could only bring chaos to our revolutionary ranks and would be harmful to peace and unity. Except for Lin Biao and the "gang of four" and those other who still harbor ambitions, intentionally cause harm and have extremely bad character we ought to be generous and have mutual understanding. The various wounds and scars of the remaining historical problems among the revolutionary ranks ought to be carefully and thoroughly mended and closed up and then left untouched. To reopen a closed wound leads only to harm. All comrades no matter what their past faults or glories who now uphold the party's line, direction and policies and energetically perform their work are good comrades. Given this premise everyone ought to forego their grudges and join together with one heart and one mind to advance in building socialist modernization.

The second point is that we must abide by the requests of the leading comrades of the central committee to take steps in improving the economy of Guangdong and in improving the people's livelihood. To improve the economy we must take advantage of Guangdong's superior conditions. These superior conditions are not only the natural conditions, because the special policies and lively actions granted by the central committee are also a superior condition. In the main, these so-called special policies and lively actions have two aspects: One is that the central committee has granted Guangdong the authority to independently solve its own problems and has greatly broadened its local authority. The second is permission for Guangdong to have broad foreign contacts in order to increase its position as the axis or window of the nation's relationships with foreign countries. The realization of these two items requires that we increase our ideological liberation. If our thought is not properly liberated both items will fail. Our thinking must be appropriate to implementing the new conditions of the special policies and the lively actions. The central committee has given us this great authority and now we must see if we dare to use it and are able to use it. We must bravely put it to use and also study the best ways to use it.

Not only is the province to take these steps, all districts and departments must also do so. The province has authority, some of which should be given, even in great amounts, to the districts, departments and units and the people's hands should be untied, all with the goal of making the Guangdong economy more lively and more vigorous. The industrial, agricultural and finance departments should consider in what ways their departments can realize the special policies and carry out these lively actions. In facing the key problems they must organize their strengths to make deep investigations and studies and then after clearly realizing the fundamental conditions bravely adjust the policies to solve the problems. In short, the special policies must truly be special, the lively actions must truly be lively, and in taking the initiative they must truly be in the forefront, otherwise it is all meaningless.

In order to improve the economy we must pay attention to Guangdong's difficulties. The problems in energy, transportation and food pointed out by the leading comrades of the central committee are major problems and cannot be solved in one or two years. We must estimate the difficulties of the adjustments and by all means avoid falling into a "Great Leap Forward." On the one hand we must enthusiastically make long-range plans to vigorously step-by-step find fundamental solutions to our problems in energy, transportation and food. At the same time we must strive to find quick measures to forcefully work under the present conditions to improve production and the people's livelihood. Even though conditions in energy and transportation remain basically unimproved we must consider how we are to increase production and make savings, strengthen economic management, broaden enterprise autonomy and implement broad economic alliances, utilize such methods as foreign capital and economic cooperation with foreign nations and make Guangdong's economy more lively and more vigorous.

Party committees on all levels must provide somewhat better conditions for the masses. For example, there are problems in the supply of vegetables, fruit, meat, fish, eggs and other non-staple foods, problems in urban sanitation, transportation and public order and problems in preventing unauthorized lumbering and in protecting our forestry resources. We must quickly think of ways to solve these problems and cannot wait to solve them in the years to come. Of course these are not the only problems which must quickly be solved. The leading comrades of the central committee emphasized providing the masses with visible benefits. An important point is that all levels of party committees must be concerned with the livelihood of the masses and pay constant attention to the interests of the masses. In the final analysis, the goal of our work is to satisfy the daily increasing material and cultural needs of society. We must firmly remember this point.

The third point is that we must heed the demands of the leading comrades of the central committee to thoroughly improve our work style and strengthen and improve party leadership. The central committee leading comrades pointed out a few examples of the poor work style and poor manner of some cadres. All levels of party organization must seriously attend to this and select actions that quickly provide solutions. We require that each cadre carry out the direction, line and policies that the party central committee has laid down since the Third Plenum and work energetically to produce accomplishments. A good cadre is one whose work is successful. This criterion must be adhered to when the party committee and the organization departments evaluate cadres and promote cadres. In listening to the Guangdong work report the party central secretariat pointed out that for a long time some cadres "followed the habits of sinister reactionaries, lacked a strong progressive spirit, failed to take the initiative in positively solving work problems, used their main energies to complain and bicker, thus obstructing the thorough implementation of the party line and policy. Such conditions must change." This is a task which the party central secretariat has assigned to us. From now on all levels of party committees, organizational departments, and departments for investigating discipline must criticize and educate cadres who neglect their work because of arguments and when there are serious consequences disciplinary action must be taken. Cadres who are honest, moral, hard working and unresentful, who have abundant creative spirit and a sense of responsibility must be praised and put to good use. Models of such behavior should be actively propagandized.

The party and state are now in the process of carrying out a transformation of the leadership system and the economic system. How we are to strengthen and improve party leadership under the new conditions is a new subject now facing all levels of party committees. Guangdong is to establish special districts, and carry out special policies and lively actions, and, given these conditions, we must investigate how to uphold the four basic principles and how to repress an incursion of the mental construct of capitalist corruption. For example, Guangdong has severe problems with smuggling and bribery, which are reflections of capitalist corruption. We must make sincere studies of this to find ways to more effectively struggle against it. From now on the party leadership methods must be changed. The party organizations cannot stand above the masses and much less can stand in opposition to the masses but rather must stand among the masses. The party committees cannot continue the past practice of overseeing all matters and managing in such excessive detail, but must develop skills in grasping large matters and motivating positive factors. The reform now in progress is not to do away with or weaken party leadership but rather is a search for improved standards of leadership by the party committees.

The conference also studied the questions related to preparations for holding our province's Fifth Party Congress.

This conference was attended by major responsible comrades from all district and municipal committees and by responsible comrades from all departments, committees, offices and bureaus in the province, altogether a total of 220 of them.

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FINAL PLANNING STAGES OF NEW SPECIAL DISTRICT

Hong Kong ZHONGGUO XINWEN in Chinese 5 Nov 80 p 3

[Article: "Approval of Overall Planning for Shenjuan Special District Soon Forthcoming"]

[Text] Construction of the overall plan for the Shenjuan special economic district is already basically accomplished and experts, engineers, and technicians from Beijing, Hubei, Guangzhou and elsewhere along with the concerned responsible comrades from the Shenjuan special district are now making their final examination and approval of the overall planning.

The direction of the overall plan calls for positive importing, suiting measures to local conditions, making logical arrangements, concern for both domestic and foreign conditions and steady progress in order to gradually build the Shenjuan special district into a modern city of beauty, natural surroundings, cleanliness, excellence and culture and of typically Chinese features.

The overall plan will be carried out area by area and stage by stage. At present they are urgently constructing the Luohu area, the Shangbu industrial area and the reservoir and recreational area and enthusiastically carrying out "wu tong yi ping [0063 6639 0001 1627]" work. The worker personnel now building the roads frequently work night snifts and some roads recently were covered with asphalt.

Shenjuan's "three problems," i.e., food, housing and transportation, are gradually being solved. The city recently added three new restaurants, the Youyi Dining Hall, the Shenjuan Restaurant and the Chunyuan Restaurant, and ten-some new snack bars. The Overseas Chinese service center is now being expanded and a restaurant serving foreign guests is already in operation. There also are a number of small size vehicles for hire. The Shenjuan municipal hotels have over 1,000 beds and there are plans for another 5,000 beds to serve commercial and tourist needs. At the same time, with continual development of farming and animal husbandry the "three problems" can gradually be solved within 3 years. This special district has bright prospects.

11582
CSO: 4006

ECONOMIC PLANNING

QUALITY CONTROL SYSTEM BEING PROMOTED

Beijing JINGJI GUANLI [ECONOMIC MANAGEMENT] In Chinese No 9, 1980 pp 38-40

[Article by Shen Qinghe [3088 1987 0735] of the Fuzhou Pencil Factory: "Practice Overall Quality Management; Accelerate Enterprise Production Development"]

[Text] Our factory began practicing overall quality management in May 1979 and though it has not been a long time, we are already beginning to see results. From January to May of this year we produced 55 million pencils, a 29.7 percent increase over the same period last year, and 88.3 percent of this year's export plan which is the highest level in history; quality has been further improved: our HB medium pencils are the best in the province; the value of production has reached 2.17 million yuan, which is 51 percent of the annual plan and a 10 percent increase over the same period last year; profits have reached 4.28 million yuan, which is 56.34 percent of the annual plan and an 11.93 percent increase over the same period last year.

We practiced overall quality management mainly by doing the following:

I. Linking up with actuality and studying knowledge of overall quality management. Our practice of overall quality management began with study. We held overall quality management classes and invited people in from outside to lecture. The factory leadership took the lead in study and all the staff and employees of the factory came to study and through study clarified two questions:

A. The characteristic of overall quality management is the "three overalls."

1. Overall personnel guarantee, i.e., the entire plant from managers to each individual worker, to party, government, worker and league sections make clear the responsibility they themselves bear with regard to product quality, all should guarantee and improve product quality with the quality of their own work; 2. Application of overall technical and economic management methods, i.e. statistics, forming a perfect and effective quality management system; 3. Overall process quality management, i.e., an overall process quality management system made up of 15 links: market surveys, design and testing, technolog[illegible]rmulations, propaganda and education, production planning management, materials purchasing and storage, standardization, equipment maintenance and reform, accounting, labor competition awards, quality self-inspection, mutual inspection and special inspection, cultural production, product marketing and service, employee welfare

and rationalized proposals. In the past it was generally recognized that quality management was a matter for technical examination sections, for other sections would emphasize their own work in a one-sided manner and not be very concerned about quality management. As a result, there was much wrangling between departments, quality was not consistent and output fluctuated, which influenced the development of the enterprise. For this reason, it was decided to place the work of party, government, workers and the league on the track of overall quality management. Eight major economic indicators were included in overall quality management, the factory established an overall quality management office headed by the plant manager, with three deputy plant managers as deputy directors, and two specialized workers below them. Each work section also established a small leadership group. The entire plant, from manager to section chiefs and work section leaders, from departments of the section offices to each work section, group and team, formulated overall quality management plans. The emphasis of political and ideological work also shifted to coordinating ideological education with overall quality management.

B. The aim of overall quality management is to supply a quality product to the consumer at the lowest cost and in the stipulated time and quantity. For this reason, it is necessary to proceed from the needs of the consumer and deal with the relationship between quality and cost accurately. The consumer demands products which are attractive and inexpensive, so we should consider both quality and cost. Any method which ignores cost in materials and processing is improper. We think that we should constantly raise quality but also keep an eye on costs and make a product which is both attractive and inexpensive. At the same time, we must pay attention to quality internally as well as emphasize quality externally.

Based on the situation of pencil lead quality in our factory, we decided not to use high grade electro-carbon graphite as the high norm for pencil lead nor the high grade wood to make the pencil shaft. Since we had a grip on internal quality we also paid attention to appearance (there are no domestic standards.) We emphasized using locally available materials and woods native to the province, using low grade wood to produce a competitive product and to satisfy marketing needs and the consumer.

II. Survey market needs and improve design quality.

For a product to have good quality, it must first have good design. Whether or not design quality is good will be determined by the consumer. Engaging in market surveys and understanding the needs of the consumer is an important basis for improving design. Proceeding from this point, teams led by our plant leadership organized "triple alliance" teams, which went to shop counters, the Canton Trade Fair and marketing fairs to hear the views and proposals of traders; we observed domestic and foreign customers' and consumers' selections and likes with regard to packaging, appearance and design variety. We also convened conferences of workers and traders, workers and merchants, and elementary school students; we went to trading enterprises and warehouses to understand the commercial situation and to collect and master information on the situation; we studied product sales characteristics. For example, HB medium grade pencils are used mostly by elementary school students, so we concentrated our efforts on studying the reactions of children and their parents to pencil quality, and studied the effects of the students' feel for the pencil lead. We also conducted surveys and studies on exports to other countries and areas, the specific marketing situation, competition, pricing, sales volume, profit and foreign exchange created, and the likes and demands of the customers. It was evident from the survey that the quality of pencil lead produced by our factory is now good and can meet the demands of the customers. Domestically, the reaction to the quality of the wood is off a little, but the yaobiji [2280 4581 2623] and high-quality double-holed pencil sharpeners generally used abroad now react well with the quality of the wood. The important thing is that we should improve the design of the appearance and the packaging. Since last year, we have designed over 50 varieties of new products, and because our judgement was right and we produced them fast, the new products are very much in demand. By May of this year we had already sold 200,000 gross outside the province and completed the sales mission for the entire year. At the Canton Trade Fair we also received orders for 215,000 gross, which is more than double last year's export mission.

III. Develop standards, carry out the "grading" method, improve work quality.

In the past, we relied mainly on administrative measures to manage enterprises and the interests of the workers and the interests of the enterprise could not automatically be combined. After practicing overall quality management, we formed a small "legislative" group to carry out repeated and conscientious study of the problems in the management system and then formulated a number of rules and management regulations. The implementation of these regulations can be represented in numbers at any time. The daily and monthly labor contribution of each employee can be "discussed" in terms of numbers. These statistics are an important basis for awards and raises and promotions. We call this method the overall quality management grading system. We still rely on state standards to formulate each working procedure in the entire production process: technological stands, operating rules standards, standards for checking raw materials on delivery, standards for giving marks to raw wood on delivery, standards for consumption of raw materials, standards for transfer of semi-finished products in the production process, standards for giving marks on cultural production, regulations on warehouse management, regulations on financial management, regulations on safe production, regulations on livelihood management, and a system of responsibility for managerial personnel from all departments and work sections throughout the enterprise. We also formulated standards for checking composite grades for all work sections and departments in the entire plan and daily statistical reports and monthly aggregates. Because everything is numerical, using a scientific management system to run the enterprise gradually turned around a passive situation and made all managerial work rapidly get on the track, and the relationship between the cadres and the masses was even closer than in the past. Some work sections used to be rather deficient in their managerial work, but through practicing the overall quality management grading method, the work sections quickly underwent changes. For example, the plank-making work section used to be managed poorly, and although the leadership team had been changed twice, due to the fact that there was no scientific management system, management was still as confused as before. Some workers always came late and left work early, and even took time off at will, so that basically the entire work section only worked 6 hours a day. In the cooking and cutting work process, nearly every shift had something go wrong: either the wood was overdone so that it had to be discarded or it was not cured right and had to be discarded. The work section's consumption of wood reached 5,900 cubic meters, which was a 20 percent overrun with a monthly loss of more than 20,000 yuan. This year we sent a shaft-making work section leader and managerial personnel who were most familiar with the overall quality management system to practice the grading system in the plank-making section. In just 2 months the work section management was in good order, each employee's daily activity, each good job and each accident could all be seen from the statistics so that there was discrimination between good and bad and some direction to catch up and overtake. Thus, the initiative of all employees in the work section was brought into play and the plan was completed in terms of output and quality. In the cooking and cutting process, accidents were basically wiped out, the work section's consumption of wood dropped to 4,400 cubic meters, with monthly savings of over 20,000 yuan, which made a contribution towards increasing production and income for the entire factory. We also rectified some laboratory sections which were not suited to the overall quality management system, such as the supply and marketing team, which also used the grading sysetm for management of wood purchasing, and turned around a long-standing situation in which much of the raw wood that was purchased was rotten.

IV. Improve inspection work, everyone must be concerned about quality.

Our emphasis on quality proceeds from production and not from inspection. We have emphasized establishing the thinking that "the customer comes first" and that the customer is the final work process. We carried out the directions of self-inspection, mutual inspection and special inspection together at the same time, and everyone was concerned about quality. The special inspection personnel are very seriously concerned with quality and should promptly propose methods for resolving problems, rapidly adopt measures and have them changed in the second cycle. To be concerned about quality collectively we also, through practice, developed seven principles of concern: 1) Determinant indexes should be higher than national standards; 2) Emphasize consumer use demands apart from national standards, and when national standards and consumer demands are contradictory, analyze the situation by seeking truth from facts; 3) Grasp the idea of first impression in product sales--appearance--if there are no such stipulations in the national standards, the factory should come up with its own standards and implement them strictly; 4) Strictly honor contracts, and guarantee consumer demands in terms of time and quantity; 5) Emphasize good handling of the relationship between cost and quality: attractiveness and price are the highest standards of quality; 6) Second-rate and scrap products should be dealt with promptly, second-rate products get second-rate prices and scrap products should be altered to be serviceable, reducing economic losses to the lowest possible point; 7) Strictly implement evaluation of cultural production, guarantee the cleanliness and accuracy of the product.

V. Maintain close relations between workers and merchants, workers and traders, constantly improve the quality of service.

In the past we could only bury our heads and produce in accordance with the plans formulated by the upper echelons, without regard for the needs of the consumer or market developments. Views on commerce and foreign trade were also ignored.

Information from commercial and foreign trade sections on the product's foreign exchange rate, inventories, and other commercial information was kept secret from the factory. We thought that in overall quality management that discussing improving service and marketing quality was talking to the point. We resolved to strengthen this weak link. Through practice, important leadership cadres took the lead in learning how to do business. We formulated seven work directions for improving relations with commercial and foreign trade sections: 1) For production for foreign sale, depending on the credit guarantee period, arrange production flexibly, be eager to meet the needs of export, take the difficulties on oneself and facilitate sending them to the foreign trade section; 2) Products in demand which are not controlled by the plan, foreign traders have the right to do more business, if they make an offer, we accept it; 3) If a product is not selling well, don't argue about the quantity the plan calls for, adopt methods to change the variety and reduce the quantity in storage; 4) If a mistake occurs in the commercial department or there is a change in quality of products in storage, both should be made problems for the factory, which should immediately send personnel to study and solve the problem, change what can be changed, exchange what can be exchanged, and be merchant and worker in the same person (we think that if we do not bear responsibility for quality and neither exchange nor withdraw, but put out goods in confusion, not only will se suffer economically, but we will also hurt the reputation of the nation and the factory.); 5) In direct contact with stores, guarantee to exchange or take back, supply whatever product they would welcome; 6) Be flexible in responding to demands of customers and merchants and accept responsibility for producing set brands and varieties, small quantities, mixed groups and custom-made products so that merchants and traders will have more flexibility and make the business work; 7) When there are disputing problems, adopt the principle of democratic negotiation, and if you are not successful the first time negotiate a resolution through a number of meetings. Because we took the initiative to follow the above points, especially in practicing the methods of many varieties, kinds, packaging (other factories have at most only one or two types of packaging, but we have from 6 to 24 combination packages) the products sell well, supply cannot keep up with demand and we have improved relations between workers and merchants, between workers and traders.

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ECONOMIC PLANNING

EFFECT OF INDUSTRIAL DEVELOPMENT ON BEIJING WATER RESOURCES EXAMINED

Beijing DILI ZHISHI [GEOGRAPHICAL KNOWLEDGE] in Chinese No 9, Sep 80 pp 5-7

[Article by Yin Yu [1438 3768]: "Beijing City's Industrial Development as Seen From the Water Resources"]

[Text] Recently, the Central Committee Secretariat issued four suggestions concerning the capital construction plan, demanding that Beijing be constructed so as to become a first-class city with stable politics, a beautiful environment, flourishing science and culture, and a prosperous economy. We consider that these suggestions made by the Central Committee Secretariat are based on the fundamental fact that Beijing is the capital of our great socialist motherland, combined with the geographic conditions and the natural resources of Beijing and its historic development. The Central Committee Secretariat has spoken the echo of the hearts of the inhabitants of the capital as well as a wish long entertained by the people of China.

At present, the departments concerned are actively making concrete plans for development and construction in order to carry out the suggestions made by the Central Committee Secretariat.

This article presents the coarse and shallow opinion of the author concerning the impact of industrial development on Beijing's water resources.

I.

Beijing is situated at the northern corner of Huabei Plain, and it is also referred to as "Beijing Bay." This is because it is enclosed by the Yanshan mountains in the north and the Taixingshan mountains in the west and is open to the plain only in the southeast. Its total area of 16,800 square kilometers consists of two-thirds mountainous area and only one-third plains.

The average annual precipitation in the Beijing area is 600 millimeters or so. However, the distribution of the rainy season is highly uneven, thanks to the influence of the monsoon. If we roughly divide a year into summer months, April to September, and winter months, October to March of the next year, the precipitation during the summer months amounts to more than 99 percent of the annual precipitation. Precipitation is also heavily concentrated in the two months of July and August, amounting to 60-70 percent of the annual precipitation. In some years, precipitation, during a single month may exceed the average annual precipitation, while in some other years there may be no precipitation for an entire month or several months in a row. The changes in precipitation from year to year are quite significant, too. According to meteorological data accumulated over the past 100 years, the annual precipitation may reach as much as 1,400 mm in a wet year (1959) and as little as 240 mm in a dry year (1869).

The rivers that flow past the Beijing area include the Yongdinghe, Chaobaihe, Wenyuhe, Jumahe, and Goucuohe, the so-called five great water systems. However, on account of the unstable nature of the precipitation, these rivers rise rapidly and also fall rapidly, and a large volume of precipitation is lost to the rivers downstream. The Yongdinghe is the largest river that flows past Beijing. According to the hydrological records of the Guanting area, the flow rate of the Yongdinghe is as low as 1-2 cubic meters per second during the dry season. However, its flow rate can jump up several thousand times after a storm and the mountain torrents gather. For example, during a flood which took place in July of 1939, a maximum flow rate of 4,000 m^3/sec was recorded in the Guanting area. The assault of the flood was as violent as its retreat was swift. It took only 8 hours for all the floodwater to pass the Guanting gorge and discharge into the Huabei Plain, often playing havoc there.

Since the flow of surface water is small in quantity and also irregular, the large-scale development and exploitation of water resources remained one of the big events of every dynasty which built its capital in Beijing throughout the history of its development.

Starting in 1153, when Nuzhenzu first established its capital in Beijing, the Zhahe and Jinkouhe were dredged one after the other in an attempt to solve the problem related to the transportation of grain. However, the rivers soon clogged up, because there was too little water and too much sand. In 1260, after Beijing was established as capital by the Yuan Shizu Kublai, a plan to revitalize the Congzhehe of the Jin Dynasty (e.g., the Yongdinghe) also failed. A scientist of the Yuan Dynasty, Guo Shoujin, after a detailed exploration of the area, decided to open a waterway from Congping to Tongzhou by conducting the Fucuan water westward, then southward, to join with the Wenshanbe (today's Kunming Lake) via the Xishan Zhucuan, then via the Gaolianghe and Tonghuihe to reach Tongzhou. Thereupon, boats could start from Zhangjia Bay south of Tongzhou, enter the great city via the Tonghuihe, and moor at the Jishuitan. By the time of the Ming Dynasty, the Baifuhe was no longer flowing, and the Tonghuihe was no longer navigable. Several attempts to restore navigation all failed. The main reason for the failure was the lack of water resources.

During the Qing Dynasty, neither a reopening of the Jinkou in order to draw water from the Yongdinghe nor a restoration of the long banks in order to reach Baifucuan was attempted. Only the nearby water resources were exploited, and stone flumes were built to conduct spring water from the nearly mountains. They certainly did rack their brains in order to utilize every drop of spring water.

Since liberation, the amount of water consumption has increased year after year, keeping pace with the rapidly developing agricultural and industrial production and the growth of the city. Therefore, the party and government attach sufficient importance to the exploitation and utilization of water resources in the Beijing area. During the past 30 years, large reservoirs such as the Guanting, Miyuan, Haizi, and Huairou, together with more than 20 medium- and small-scale reservoirs plus the Yongdinghe and Jing-Mi water projects, have been constructed one after another.

The Guanting Reservoir, which was built in October 1954, controls the flow of the Yanghe, the Suangganhe, and the Weishuihe at the upper reaches of the Yongdinghe, intercepts the mud and sand, and regulates the volume of water. This reservoir created the necessary prerequisites enabling the capital to utilize the water of the Yongdinghe. A wish our ancestors desired for so long in vain has come true since liberation. The total capacity of the Guanting Reservoir is more than 2.2 billion cubic meters, with a maximum discharge rate of some 100 m^3/sec. During a normal year, it supplies 900 million cubic meters of water to the capital. In order to draw water from the Guanting Reservoir to Beijing, a dam with a capacity of more than 1 million cubic meters was built at Sanjiadian in 1956, and a Yongdinghe canal was constructed with a flow rate of 60 m^3/sec connecting the lakes and canals within Beijing city. Thus a relatively complete Yongdinghe water supply system was established. During the period form 1958 to 1960, the Miyun Reservoir, which is greater in scale than the Guanting Reservoir, was built. This reservoir collects water from two big rivers, the Chaohe and the Baihe; its capacity is more than 4 billion cubic meters, with a maximum discharge rate of 500 m^3/sec. In a normal year, it will be able to supply 107 million cubic meters of industrial water. At present, the Miyun Reservoir supplies city water to both Beijing and Tianjin. The amount of water supplied to Beijing is, on average, 400 million cubic meters a year. In order to draw water from the reservoir and supply it to the city, the Jing-Mi Canal was built during the period from 1960 to 1966, with a total length of more than 100 kilometers and a flow rate of 70 m^3/sec.

In spite of all these developments, water remains a big problem affecting the industrial development of Beijing City, as seen from the present circumstances.

II.

According to an estimate by the relevant department, there are approximately 2 billion cubic meters of surface water available in an average year (only 1 billion cubic meters in a dry year) and approximately 2.5 billion cubic meters of underground water available in the Beijing area, while the actual amount of water consumed by Beijing city is nearly 5 billion cubic meters. The water level of the Guanting Reservoir is steadily dropping because other reservoirs are being built upstream from it. The average annual influx of water over the 10-year period from 1960 to 1970 was approximately 1.3 billion cubic meters. By 1980, it was down to about 500 million cubic meters. The reservoir capacity is also gradually declining as a result of sedimentation. At present, it is capable only of annual regulation and is unable to regulate water over rich and lean years. It is no longer capable of supplying water in a dry year. Therefore, the shortage of water must be supplemented by overexploitation of underground water.

Underground water is one of Beijing's important water resources. It supplies approximately 60 percent of the water consumed in the city. In densely populated areas, areas where factories are concentrated, and areas where water consumption is high, plus such areas as Fangshou and Tongxian, the underground water has already been overexploited. Within the city limits, the average annual loss of water amounts to approximately 200 million cubic meters. As a result of overexploitation over an extended period of time, the underground water table is dropping at a steady rate of 1-1.5 meters per year, while the quality of water worsens and the hardness increases. A large funnel depression in the water table and settlement of the ground have appeared in many areas.

Every day, as much as 1.8 million tons of untreated wastewater containing various toxic chemicals are discharged all over Beijing city. The large volume of wastewater not only has turned the several tens of surface streams into "dragon-beard ditches" but also has, to differing degrees, polluted various underground water resources as a result of seepage and of irrigating with wastewater without scientific supervision. According to an investigation, there are more than 10 wells in the city which are so heavily polluted with toxic chemicals that they have had to be closed down. This situation makes the supply of already overexploited underground water even more scarce. The experts concerned believe that unless some fundamental measures are taken to correct the situation in the next few years, the potential danger of polluting the underground water will grow more critical day after day. Even if we are able to control pollution right away, the recovery of Beijing city's underground water will take a very long time.

We consider that the main causes that have brought about the situation today are the following:

1. The industrial production section is too complex, with too high a concentration of heavy industry.

In the past 30 years, Beijing has grown from a backward state in the early days of liberation, with a few plant and mining enterprises and some handicraft factories, to a modern city with several thousands of plants and mining enterprises. It has become a rather complex industrial city containing a large variety of industries, including metallurgical, machinery, chemical processing, petrochemical, coal, electric power, construction material, light and textile, electronic instruments, etc. The gross industrial product has increased more than 170-fold, the number of workers has increased 7-fold, and industrial water consumption has increased more than 200-fold.

Heavy industry occupies 64.5 percent of the total gross industrial product. It is second only to this nation's largest heavy industrial city, Shenyang, and surpasses both Shanghai and Tianjin. Industrial water consumption occupies 81 percent of total water consumption citywide; the metallurgical and chemical processing industries alone consume half the total citywide water consumption.

2. Industrial layout is too concentrated, with too much water consumption.

Beijing city proper not only has a concentration of central and municipal government offices but also has more than 90 percent of the institutes of higher learning and 80 percent of the factories. Urban industrial water consumption amounts to more than 80 percent of the total industrial water consumption. Those metallurgical and chemical processing industries which occupy a large land area, consume a large quantity of water, and pollute heavily are distributed in the suburbs not too far from the city proper. As a result, the wells are too densely distributed and the underground water is overexploited, so that the water table is falling at an alarming rate. For example, in a certain industrial area there are as many as 20 wells per square kilometer, which is twice the normal density, so that the area has become the largest area in the suburbs where a funnel depression in the underground water table has been formed.

3. The urban population is growing too fast, with too rapid an increase in water consumption.

In the past 30 years, the population of Beijing Municipality has increased from 1.65 million to 4.95 million, while the land area has expanded from about 60 to 340 square kilometers, and the daily running water supply has increased more than 40-fold.

4. Water resource utilization efficiency is too low, with too much waste.

The rate of repeat use of industrial water in Beijing city is too low. Many factories use fresh water just once and discharge it into the sewer. This practice not only wastes water but also increases the volume of the city's wastewater. According to an investigation carried out by a concerned department, 30-40 percent of the water used by Beijing factories today could easily be recycled. The recycle rate could be increased to 50-70 percent with the addition of a small number of facilities. For example, a certain steel plant, which is one of Beijing city's heavy water consumers, recycles only 3 percent of the water it uses. A certain alcohol plant recycles 30 percent of the water it uses now. The rate can be increased to 70-75 percent if certain measures are taken a step further.

III.

Water is a necessity which neither industrial and agricultural production nor urban daily lives can do without. In England, America, and Japan today, there is a severe water shortage in many large cities where there are heavy concentrations of people and industry. According to an estimate, a critical water resources problem will appear in the Beijing area around the year 2000 if the present trend is maintained.

Although there exists a set of rational approaches to exploit and utilize water, together with unified scientific management, technical reform, and conservation methods as far as water resources are concerned, nevertheless, fundamentally speaking, the causes that brought about the present circumstances are mainly economic. And this is especially the case with industrial growth, which does not agree with the objective conditions of Beijing or with Beijing's basic situation as a capital and a political center. Therefore, to solve the problem at its roots, we must start right there.

1. Readjust the industrial structure and control its growth.

The fact that Beijing is China's political center has been clearly established. However, Beijing's economic function, especially its industrial growth structure, is getting more and more difficult to understand. For many years, under the slogan of "turning a consumer city into a producer city," development of heavy industry has been emphasized onesidedly. As late as the late 1950's, there were plans to build a complete industrial system in the Beijing area consisting of metallurgical, chemical processing, and machinery industries. Therefore, investment in heavy industry occupied an absolutely superior position in total industrial investment year after year. After the "2-5," the proportion went up to more than 90 percent, and the industrial layout became too complex and grew critically out of proportion.

Recently, the Central Committee Secretariat drafted guidelines for Beijing metropolitan construction. Namely, Beijing is the seat of the Party Central Committee and the State Council. It is the political center, the nerve center of the whole nation. The main task of Beijing is to serve the Party Central Committee, to serve the whole nation, and to serve China's international activities. These guidelines have clearly pointed out that Beijing does not need to become an economic center. We believe that today is the time to make a decision in accordance with these guidelines and to make appropriate adjustments for Beijing's industry.

Beijing's heavy industry ought to stop further development. Those [industries] which consume too much water, occupy too much land, consume too much energy, and pollute heavily ought to be reorganized step by step. Beijing city itself does not produce coke that can be used for refining of steel, nor does it produce iron ore. Locating the Shougang Company in the Beijing area in the upper reaches of Beijing's water resources was a historic mistake in the first place. Today, Shougang is not only one of Beijing's heavy water consumers but also one of the largest sources of pollution in the western suburban area. From now on, the Shougang operation must emphasize reform and exploitation of its existing potential. Not only should its scale not be expanded, but it also ought to contemplate relocating its metallurgical section, which consumes large quantities of fuel and raw materials, to a location closer to sources of fuel and raw materials.

Likewise, the Yanshan Petrochemical Industry transports oil from oilfields in Helongjiang and Shangdong thousands of li away and produces chemical products. The air pollution and underground water pollution here are quite critical. In fact, the water used in the production process has to be drawn from wells located several tens of kilometers away. If this company were to expand its scale any more or, worse, double its size, the results this would bring about are unbearable to contemplate!

2. Protect water resources; make sure that water resources will not be polluted any further.

No plants which have the potential of polluting water resources may be built in an area upstream from areas rich in underground water resources. Those plants which are heavy polluters or whose pollution is difficult to treat must either shut down, stop operation, merge, transform, or relocate. Those plants whose products are not for local consumption or service, and who are also heavy polluters of water resources, must be shut down.

The Yongdinghe alluvial fan in the Beijing area is the area where underground water resources are the most plentiful. Most of the water plants which supply water for urban usage are located in this area. However, there are also heavy polluters there, such as a steel plant and a chemical processing plant. For example, a certain pesticide plant was so lax in controlling its process that escape, emission, drip, and leak were unchecked. As a result, it seriously polluted the environment and water resources. Four wells belonging to a water plant nearby had to be closed because the water drawn from these wells had become so odorous. We consider that plants like this ought to be closed down.

The Miyun Reservoir is one of the important water resources for Beijing and Tianjin. It is the only water resource for Beijing city which has not yet been polluted. Such a reservoir, which is considered a "lifeline" by many, must be carefully protected. Plants which possess the potential to pollute water must not be built upstream from the reservoir. If the reservoir and the surrounding area are developed into a resort area, then pollution of life must be watched very carefully. We must avoid repeating what another resort area did; it tried to find a means of treating pollution only after it had become a fact.

3. Draft effective measures and strictly control the city's scale.

Too rapid a population growth is an important cause of continued expansion of the city, a steep increase in water consumption, and worsening of the environmental quality. Unless appropriate measures are taken to control the growth of the population, the problem associated with water resources can only become more critical.

4. Accentuate strongpoints, avoid weak points, and fully develop Beijing's superior features.

Beijing is China's scientific and cultural center where talents congregate. We must fully magnify this superiority and emphasize the development of some special industries which consume little water and fuel, occupy small land areas, and are free or almost free of pollution, such as light industries and electronic instrument industries.

Beijing is also China's old cultural capital. It is one of the cities in which old buildings and historic sites are concentrated. We must emphasize the development of the so-called "smokeless industry," namely, the tourist industry, and the associated service industries such as special artifacts and food industries.

In summary, Beijing's industry must stand on the foundation of local water resource conditions, and must be developed according to the characteristics and functions of the capital.

9113
CSO: 4006

BRIEFS

GUANGDONG ECONOMIC READJUSTMENT--The Guangdong Provincial Metallurgical Bureau has suspended the production of some 27 small iron and steel plants and 29 nonferrous metal enterprises, scoring better economic results. These iron and steel plants and nonferrous metal enterprises had been engaging in blind and duplicate production and lost money every year. The facts have proved that the readjustment was successful. The closing of these small plants enabled the larger plants to have an adequate supply of raw materials, thus speeding up development of the metallurgical system as a whole. [Guangzhou Guangdong Provincial Service in Mandarin 1120 GMT 31 Dec 80 HK]

HUBEI ECONOMIC ALLIANCES--At present, the economic front in Hubei has organized 155 economic alliance bodies which engage in development projects and in which 222 factories and units are participating in. Among these economic alliance bodies, light and textile industries accounted for most of them, that is, 107. These bodies share the profits in accordance with the proportions of their investments. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 31 Dec 80 HK]

CSO: 4006

ENERGY CONSERVATION BY GUANGZHOU ENTERPRISES NOTED

Guangzhou NANFANG RIBAO in Chinese 5 Nov 80 p 1

[Article by NANFANG RIBAO correspondents Liu Jun [0491 6511] and Shi Zhong [2457 1813]: "'Big Energy Consumers' Become 'Big Energy Savers'--Electricity Saved by 15 Key Guangzhou Municipal Enterprises Sufficient for Supply to Some 300 Light and Textile Industry Enterprises in the Municipality for Half a Month"]

[Text] In Guangzhou, 15 key enterprises, all former "big energy consumers," have achieved outstanding success in energy conservation. From January to September 1980, they saved 18.88 million units of electricity, 15,426 tons of heavy oil and 39,120 tons of coal. The electricity saved is sufficient for supply to more than 300 light and textile industry enterprises for half a month.

In 1979, the amount of electricity consumed by 15 key enterprises, including Guangzhou Petrochemical Plant, Gangzhou Nitrogenous Fertilizer Plant, Guangzhou Paper Mill, Guangzhou Steel and Iron Plant, and Guangzhou Heavy Machinery Manufacturing Plant, was equivalent to 20 percent of the total industrial consumption in the municipality. Their consumption of coal was 1.3 times the total allotted amount for the municipal industry. Therefore, they play an important role in energy conservation in the municipality. Since the "energy conservation month" in 1979, these plants have all adopted effective measures for tapping energy potential. The Guangzhou Heavy Machinery Manufacturing Plant, after investigating the conditions of delivering and transporting heavy oil, discovered that vehicle drivers did not follow the rule of weighing the oil in the delivery truck every day and thus caused serious waste. Measures were accordingly adopted to rectify the situation. Guangzhou Steel and Iron Plant installed a 120-ton rail weight, and set up the regulation that trains transporting coal or oil out of the plant should go over the weight and record the quantity. Rational energy consumption coefficients were also worked out to replace the former method of "guessing" on energy consumption. Guangzhou Nitrogenous Fertilizer Plant is now carrying out 36 major projects for the improvement of energy conservation techniques. When all these projects are completed and commissioned, it will be able to save 690,000 yuan worth of energy each year. The power workshop of Guangzhou Petrochemical Plant also adopted 8 different technical measures and saved more than 1,400 tons of oil and 230,000 tons of water in the past year.

9411
CSO: 4006

ENERGY

DETECTING LEAKS IN UNDERGROUND PIPELINES WITH ISOTOPES

Beijing GUANGMING RIBAO in Chinese 6 Nov 80 p 2

[Article by Cai Shanwu [5591 0810 2976]: "The Air Force Aviation Fuel Oil Testing Institute Has Successfully Developed an Isotope Instrument for Detecting Leaks Along Underground Pipelines"]

[Text] Applying the principle of isotope tracing, the scientific personnel at the Air Force Aviation Fuel Oil Testing Institute, in cooperation with the Shanghai Nuclear Institute, has successfully developed a leak-detection instrument. It can easily and accurately detect leaks along underground oil pipelines, thus filling a blank page in China's industrial achievements.

There was no good method of detecting leaks along underground oil pipelines up to now. Leaks usually were first detected when oil appeared on the surface of the ground. The pipeline was then exposed by digging, and the leaks were located by means of visual inspection. This process often involved expenditure of a large volume of manpower and materials. Occasionally, the efforts were unsuccessful because of the terrain and other conditions. Moreover, the digging operation often adversely affected agricultural production. After experimenting with leak detectors for many years, scientific personnel at the Air Force Aviation Fuel Oil Testing Institute developed a scheme for detecting leaks in underground oil pipelines 6-inches in diameter and 5 kilometers long. A radioactive marker oil is first injected into the pipeline. Under pressure, the marker oil gets into the soil through cracks in the pipeline. The pipeline is then purged with oil containing no radioactive markers. A detector is then placed inside the pipeline and moved along it at an appropriate speed. As it moves along the pipeline, the detector picks up the radioactive signals and store them on magnetic tape. The locations of the leaks can then be determined by playing back the tape. By this method, leaks can be detected without digging and exposing the pipeline in order to visually inspect the pipeline. A great deal of manpower, materials, and financial expenditure can be saved by this method, and the detection process also is simplified significantly.

This institute has also developed an automatic control device, a "radioactive isotope automatic control device for constant volume filling," which helps realize automation of the oil-filling process and significantly reduces the labor industry of personnel in charge of the filling station.

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BRIEFS

NATIONAL HYDROPOWER GENERATION--National plans for hydropower generation were fulfilled in mid-October, or 70 days ahead of schedule. By 1 October, a total of 48 billion units of hydropower, a surplus of 16 billion units over the planned capacity, had been generated. In 1980, the electric power departments of various localities adopted measures to strengthen economic management. In line with the principle that "the scope of economic management should be commensurate with the scope of equipment control," improvements have been made in the system of economic control for some power grids with particular emphasis on centralized control and the strict observance of management disciplines. In economic management, close attention was paid to the regulation of the reservoir water level in operating some power grids so as to reduce water consumption and increase power generation. [Text] [Beijing RENMIN RIBAO in Chinese 13 Nov 80 p 2] 9411

THERMAL POWER UNITS--Beijing, 5 Jan (XINHUA)--Fifteen big and medium-sized thermal power generating units with a combined capacity of 1.675 million kilowatts went into operation across the country in 1980, the Chinese Ministry of Power Industry announced here today. Among the 15, the 2 located in east China's Jiangsu Province and central China's Henan Province have a capacity of 300,000 kilowatts each, the ministry said. Seven of the 15 units are in east China, which includes China's leading industrial base, Shanghai, the ministry added. The ministry stressed that their completion helped ease the local power supply shortage. [Text] [OW060915 Beijing XINHUA in English 1208 GMT 5 Jan 81 OW]

CSO: 4020

MINERAL RESOURCES

BRIEFS

HEILONGJIANG GOLD OUTPUT--The Wulaga gold prospecting area of Heilongjiang Province yielded more than 550 liang of gold during the period between 1 June and 15 December 1980. The gold recovered from river sand is worth 264,000 yuan. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 4 Jan 81 SK]

NEI MONGGOL GOLD PRODUCTION--Aohan Banner has organized collectives and individuals to excavate or pan gold in slack season. According to incomplete statistics, the banner has sold 550 liang of gold and earned 250,000 yuan. Banks have set up service centers around gold production areas in order to purchase gold on the spot. [Nei Monggol Regional Service in Mandarin 1100 GMT 7 Dec 80 SK]
The station answers a letter from a commune member in Wuchuan County concerning gold production: Individuals are allowed to excavate and pan gold in their spare time under the precondition that this does not affect collective production. They should observe the rules and regulations set by local governments concerning the forms of organizations and systems of distribution and management in gold production. They should follow the leadership of local gold departments. They are not allowed to excavate or pan gold in gold mines or deposits run or discovered by the state or collectives. They should sell the gold they produce to local banks and not to individuals. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 7 Dec 80 SK]

NEI MONGGOL PYROPHYLLITE DEPOSIT--Beijing, 26 Dec (XINHUA)--A rich deposit of the semiprecious stone pyrophyllite has been found in Nei Monggol, the Ministry of Light Industry's Art and Handicraft Company said this week. Quarrying has already begun. The deposit also contains heliotrope and fine kaolin. The multicolored pyrophyllite, which is semitransparent, will be made available to stone carvers and arts and handicrafts centers. According to the company, the heliotrope, also known as blood stone, has white, yellow, pink and grey lower layers. [Text] [Beijing XINHUA in English 0708 GMT 26 Dec 80 OW]

SHANXI MINING CONSTRUCTION--In 1980, two sets of mining shafts were put into operation on schedule, speeding up construction of five key mining shafts. At the same time, six single projects were suspended and their funds were used in the construction of key projects. During this period, the large and medium mines throughout the province fulfilled 41,000 meters of tunneling. This was an increase of 82.5 percent over 1979. [HK070901 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 31 Dec 80]

SHANXI GOLD--In 1979, the gold production in Shanxi was 18.9 times that of 1975. In 1980, production overfulfilled the plan. By the end of 1980, there were 4 small gold mines in the province as well as 20 mining points. Before 1975, the main method of production was panning for gold. Now, gold is mined. By the end of 1979, gold mining had fulfilled that year's plan by 209 percent. By the end of 1979, the masses had mined 1,000 liang of gold. [HK070827 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 31 Dec 80]

CSO: 4006

INDUSTRY

DEVELOPMENT POTENTIAL OF CHINA'S PETROCHEMICAL INDUSTRY DISCUSSED

Hong Kong CHING-CHI TAO-PAO [ECONOMIC REPORTER] in Chinese No 43, 29 Oct 80 pp 10-11

[Article by Song Ming [1345 2494]: "The Developmental Potential of China's Petrochemical Industry"]

[Text] China's population of 1 billion requires an extensive variety of clothing textiles made from chemical fibers and daily-use items produced by the chemical industry, and the four modernizations which are now under way require large quantities of ethylene, organic raw materials, plastics and synthetic rubber. Even if China were to use 3 percent of its 106-million-ton crude oil output every year as a raw material for the petrochemical industry, this percentage would result in considerable contradictions with the immense requirements of the domestic market. It is these contradictions which provide a powerful impetus for the development of China's petrochemical industry.

In 1980 China worked out an immense petrochemical industry development plan which includes three large-scale combines with a total annual output of 1.2 million tons of ethylene, 2 petrochemical fiber bases with a combined output of 680,000 tons of polyester fiber and resin, and several expansion projects for the Yanshan Petrochemical Corporation in Beijing.

The three petrochemical combines are:

The Qilu Petrochemical Combine in Zibo City, Shandong, 90 kilometers away from the Shengli oilfield, with a planned annual output of 300,000 tons of ethylene, 340,000 tons of plastics, 80,000 tons or rubber and 200,000 tons of caustic soda, whose construction is already under way;

The Nanjing Petrochemical Company, located on the banks of the Yangtze River in a suburb of Nanjing, with an annual output of 600,000 tons of ethylene, which will concentrate on producing synthetic fibers and plastics, and whose construction has already begun;

The Daqing Integrated Ethylene Plant, located at China's largest oilfield, Daqing, which will use light hydrocarbons from the oilfield as its feedstock and will produce 300,000 tons of ethylene annually; it is still in the planning stage.

The 2 chemical fiber bases are the 200,000 ton polyester works which represent the second-stage expansion of the Jinshan Petrochemical Corporation Shanghai and the 480,000-ton polyester facility at the Yizheng Petrochemical Plant, Jiangsu (two-thirds of the output will be fiber and one-third sheet plastic).

The equipment and process technology for these projects will be imported from the United States, Japan, West Germany and Switzerland.

The imported facilities are expected to be completed by about 1985. At that time China's petrochemical production capacity will show a great increase over the 1979 level (see table):

Product	1979 (tons x 10,000)	After construction of new facilities
Ethylene	61.5	2 million tons
Organic feedstocks	150	3 million tons
Plastics	108	2 million tons
Synthetic fiber	50.6	1.4 million tons

In the past, China's main organic feedstock was calcium carbide, but because calcium carbide production consumes large amounts of energy, is costly and provides only a narrow range of products, it could not meet the needs of the pharmaceutical, chemical pesticides, dyes and chemical fiber industries. Accordingly, feedstocks were imported for a long period.

Since the late 1950's, China has discovered the Daqing, Shengli and Daqanq oilfields. They have furnished China with new sources of organic chemical feedstocks.

During the 1960's, the crude oil output of China's new petroleum industry was still small, and only refinery gas and a small quantity of crude oil could be used as chemical engineering feedstocks, so that the pace of development was rather slow. The annual ethylene output at the time was only 70,000 tons, including 5,000 tons of ethylene produced from refinery gas in tube stills installed at the Lanhua Company after import from the Soviet Union in the 1950's. In the 1960's China also imported a sand-type still with an annual output of 36,000 tons using crude oil flash evaporation fractions as a raw material. All other facilities were Chinese-designed and constructed, and most of the feedstocks were refinery gas.

In the early 1970's, China's petroleum industry made great progress and was able to provide more crude oil as a petrochemical feedstock. Because it cast off the restraints of using refinery gas, the quantities of which were limited, as the primary feedstock, China's petrochemical industry was in a position to make use of large-scale ethylene facilities.

Between 1970 and 1978, China successfully carried out the first large-scale development since the founding of the state, constructing 6 petrochemical plants with a total ethylene capacity of 603,000 tons a year. These six petrochemical bases are:

The Yanshan Petrochemical Corporation in Beijing, located in Fangshan County in the southwestern suburbs of the capital, which uses a 300,000 tons-a-year ethylene facility imported from Japan and a process from the American Lumusi [phonetic] company, receiving its raw materials by pipeline from the Renqiu oilfield and concentrating on the production of plastics;

The Jinshan General Petrochemical Factory in Shanghai, which uses a 115,000 tons-per-year ethylene facility imported from Japan and a Mitsubishi petrochemical process, with its raw materials fed by pipeline from the Daqing oilfield to Qinhuang Island, after which they are transported to the plant by sea; the main product is chemical fiber;

The Jilin Chemical Industry Company, supplied with raw materials from the nearby Fuyu oilfield, which uses a 115,000 tons-per-year ethylene facility imported from Japan and produces primarily organic raw materials;

The Liaoyang Chemical Fiber Plant, which receives crude oil from the Daqing field as its raw material and uses a 73,000 tons-per-year ethylene facility imported from France, producing plastics and chemical fibers;

The Sichuan Vinylon Plant, which uses Sichuan natural gas as a feedstock and produces 45,000 tons of polyvinyl alcohol a year;

The Tianjin Petrochemical Fiber Plant, furnished with raw materials by the nearby Daqing Oilfield, with an annual output of 80,000 tons of polyester fibers.

The imported equipment mentioned above and large investments in downstream equipment to complement it have enabled China's petrochemical industry to expand rather considerably. China's output of petrochemicals in 1979 was:

Ethylene	435,000 tons
Main organic feedstocks	1.4 million tons (including ethyl alcohol)
Plastics	793,000 tons (920,000 tons of packaging materials)
Synthetic fiber	326,000 tons (including viscose fiber)

Currently, of China's 10 major petrochemical bases, the Qilu, Nanjing and Daqing combines are still under construction, while the other seven have already gone into production, and some are already being expanded. They are located in the northeast, north China, east China, the northwest and the southwest near oilfields and in locations convenient for transport.

The products of the petrochemical industry are becoming more and more inseparable from people's daily lives and from agriculture, the construction industry and the automotive and aviation industries.

Plastic products are primarily used for such daily-use and industrial products as agricultural plastic films, bags, containers, and shoes, with the greatest use being made of agricultural plastic films.

The use of plastic film in agriculture for starting seed can maintain seedbed temperature, produce early warming and produce marked increases in yield. Statistics indicate that the use of 1,000 tons of plastic film can result in a 10,000 ton increase in output of foodstuffs. Use of large plastic greenhouses to produce vegetables can increase output 2 or 3 times. Rigid plastic tubing is used in agricultural irrigation, and use of reinforced plastic in the automotive and aviation industry is rapidly increasing.

In recent years new-type building materials based on plastics have begun to partially replace such traditional materials as brick, wood, sand and stone in accelerating urban and rural dwelling construction.

Products made from synthetic fibers are visible everywhere in urban and rural general stores. In the breakdown of textile materials they have surpassed silk, hemp and wool, and are second only to cotton; it is expected that by the middle 1980's China's synthetic fiber capacity will reach 1.4 million tons a year, equivalent to the output of 300,000 mu of cotton fields, with polyester fiber accounting for 900,000 tons.

The main varieties of Chinese-produced synthetic fibers are polyamide, polyester, acrylic, polyvinyl, and polypropylene. Their various properties of wear resistance, wrinkle resistance, gracefulness, elasticity and moisture absorptivity make them popular clothing textiles, while in industry they have a multiplicity of uses, such as for insulating materials, carpets, tarpaulins and the like.

Currently there are four main varieties of synthetic rubber in China, including Butadiene rubber and butadiene styrene rubber, which are used in motor vehicle tires and conveyer belts, as irrigation and drainage hose and for various medical and daily-use products. Currently neither natural nor synthetic rubber can meet the domestic requirements for the four modernizations.

Although in certain countries with developed petrochemical industries are expressing gloomy views regarding development prospects because of the rise in petroleum prices and the near-saturation of markets with petrochemical products, in China the domestic market potential for petrochemical products is immense.

Because the petrochemical industry is a manufacturing industry with high capital density, requiring high production skill and with a large value added, it not only can create increased employment opportunities for society, but also can alter the commercial structure and convert crude oil exports into exports of petrochemical products, thus accumulating foreign exchange credits for the four modernizations.

Accordingly, it can be predicted that as China's four modernizations plan is implemented and the people's standard of living is raised, the petrochemical industry will expand greatly. Experts consider that China's chemical feedstocks still are in short supply, and they expect that the proportion of petroleum used as a chemical feedstock will increase from the present 3 percent to about 10 percent. Even so, feedstocks will not be plentiful. Accordingly, the use of less crude oil to produce more petrochemical products is still one of the principles by which China will solve its raw materials problems.

Because the proportion of light fractions in Chinese oil is small, while the AGO fraction accounts for about 25 percent and the VGO fraction for about 50 percent, the Ministry of the Chemical Industry has decided to use a reduced pressure residual oil cracking process at the Nanjing Chemical Engineering Company to increase the crude oil utilization rate from the current 50 percent to 80 percent.

Even though this requires an increase in the amount of processing equipment and in initial investment, in view of the fact that currently residual oil and crude oil prices in China are in a 1:2 ratio, the approach is profitable in terms of both payback period and production cost.

However, light oil is still the ideal feedstock because it can dispense with the equipment required for the processing of heavy oil, thus decreasing investment and producing a high ethylene yield. Accordingly, all chemical engineering enterprises which have the opportunity use light oil as a feedstock.

In the last 10 years or more, China has imported advanced technology and equipment, and in addition has invested a total of nearly 10 million renminbi on domestically produced complementary equipment. While it imports advanced foreign technologies and equipment, China has also independently designed and manufactured some equipment, including a 15,000 tons-per-year butadiene rubber facility, a 20,000 tons-per-year facility for producing phenol and acetone from cumene, and PVC equipment with a capacity of more than 300,000 tons.

A large contingent of experienced technical personnel is maturing through practice.

In order to accumulate foreign exchange credits, China has strengthened international cooperation. Many compensatory trade arrangements are under negotiation. China is also willing, on the basis of equality and mutual benefit, to consider other forms of cooperation.

China has the resources to develop its petrochemical industry, and has also accumulated some experience. Even though now, in the period of readjustment of the national economy, the pace of development of the petrochemical industry has been slowed down a bit, in view of the immense market potential and the national economy's requirements vis-a-vis the petrochemical industry, there are extensive prospects for Chinese technological exchange and economic cooperation with other countries.

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CSO: 4006

PILFERAGES AT LUSHAN IRON, STEEL MILL RESULT IN LOSS OF 40,000 YUAN

Beijing RENMIN RIBAO in Chinese 14 Nov 80 p 3

[Text] HENAN RIBAO reported the loss of nearly 40,000 yuan of state funds as a result of pilferages and thefts which took place at the Lushan Iron and Steel Mill before and after it shut down operation. The provincial party committee already summoned the Suchang district committee to conduct an investigation. A heavy penalty was subsequently imposed. [Editor's note: The duties of the party and those of the government are not identical, and the two must not be confused. The party committee should carry out its own specific tasks, and such problems as reported in the following should be handled by the provincial government and its district bureaus.)

The Lushan Iron and Steel Mill shut down operation last April. Subsequently, the Xuchang district committee dispatched work teams to help the mill wind up its business, prepare the necessary procedures regarding accommodation of its personnel and financial matters. However, since August of last year, a few lawless elements pilfered and stole large quantities of materials from the mill, causing the mill huge financial losses. For instance, a 10,000-watt electric generator at the mill was stolen by five persons including the steel mill's militia-security guard Li Jinyu [2621 6855 3768] and Liu Heshun [0495 3109 7311], leader of Panzhuang production team of Mawa brigade of Changdian Commune. Dozens of people from the Jingzhuang area climbed the wall of the mill and took away 6 tons of pig iron. The team leader of Madong production team of Mawa Brigade, Shih Xiangyu [4258 4161 3768] collaborated with three other persons and stole a decelerator from the mill. The deputy leader of Zhongxi production team ordered his people to cut down and take away 17 trees in the yard of the steel mill. A more serious case was that the secretary of the party committee of Changdian Commune, Wang Ruixiang [3769 3843 4382], used the opportunity to serve himself. When the steel mill decided to sell its oil storage room to Zhongxi production team (the room originally belonged to the team), Wang Ruixiang used his official position to compete with that team in getting the room. The members of Zhongxi team became irrate at Wang's self-serving motive, and about 50 to 60 of them organized and smashed more than 20 meters of walls, removed the iron gate of the storage room, took away the oil barrels, the fire extinguishers, the oil pumps, bearing oil, and other items. In addition, numerous items in the mill were stolen, including auto parts, lifters, generators, liquifiers, oil pumps--a total of 27 pieces. Also, a total of 18 alternators and ventilators were stolen, along with 200 sets of doors and windows.

Before and after the mill shut down operation, the confusion in management and the lack of a strong sense of responsibility on the part of the leadership led to a loss of close to 30,000 yuan, as a result of pilferages of the cement poles from the mine to Hei Shan, as well as the cement sleepers bought specifically for the building of the railroad.

After the Lushan incident, investigations were made by Xuchang party district committee, Lushan county committee and the mill's party committee, which subsequently recovered part of the losses. Wang Ruixiang, party secretary of Changdian Commune, was expelled from the party for using his official position to serve personal interests, and a few other members were penalized.

In order to prevent future occurrences, the Henan provincial committee made a province-wide announcement, stressing the fact that the pilferages and thefts which took place at the Lushan Iron and Steel Mill were serious offenses which had negative economic repercussions. It urged all mining and industrial enterprises to conduct investigations into their management, prepare regulations regarding personnel responsibilities, and adopt measures to ensure the safety of state property. The party organizations in communes, brigades, and urban neighborhoods must strengthen political thought work in educating the masses around mining and industrial enterprises, so that they understand the importance of cherishing public property and state property. The party and government departments should scrutinize cases involving pilferage or theft of public and state property in their respective areas. Stolen property must be returned or paid for, and legal penalties should be imposed in serious cases. The ringleaders of lawless groups should be heavily penalized. Leaders of organizations who are unable to carry out their duties in protecting state property should be investigated and heavily penalized.

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CSO: 4006

SHANGHAI LIGHT INDUSTRIAL OUTPUT VALUE INCREASES

OW110711 Beijing XINHUA in English 0703 GMT 11 Jan 81

[Text] Shanghai, January 11 (XINHUA)--Shanghai's industrial output value last year was 11 percent more than in 1979, far surpassing the increase in output value of heavy industry, an official of the Shanghai Municipal Statistics Bureau said today.

The proportion of light industrial products in the city's total industrial output value rose from 49.9 percent in 1979 to 52.2 percent in 1980, exceeding the heavy industry percentage for the first time in ten years. During the current economic readjustment, China lays greater stress on the increase of consumer goods to help improve the people's living standards.

It was estimated that the light and textile industrial products and household electrical appliances put on the market last year have a sales value of more than 20,000 million yuan.

Production of 100 much sought-after items went up by an average of over 50 percent last year--including ladies' wristwatches, calendar watches, small-wheel bicycles and enamelled cooking pots.

Investment in Shanghai's non-productive sectors such as housing, municipal construction, cultural, educational and health facilities accounted for 23.1 percent of the city's spending in capital construction between January and November last year, against 18.6 percent in the same period of 1979.

Housing competed last year totalled 2.7 million square meters of floorspace, up by 25 percent over 1979.

Total value of goods purchased from Shanghai for export last year rose by 24.2 percent over the previous year's figure.

CSO: 4020

LINKING OF MACHINERY PRODUCTION, DEMAND DISCUSSED

Beijing RENMIN RIBAO in Chinese 13 Nov 80 p 2

[Article by RENMIN RIBAO correspondent Zhu Shichuan [2612 4258 1557]: "Using Various Business Channels to Link Up Production with Demand, Machinery Enterprises Throughout the Country Independently Sold 10 Billion Yuan Worth of Goods"]

[Text] No 11 of the recently published JIJIE ZHOUBAO [MACHINERY WEEKLY] reports that since machinery entered the market as commodity, departments in charge of the machinery industry at various levels and the enterprises have adopted various effective measures to clear the channel between production and demand and to increase their sales. Through various channels, machinery enterprises throughout the country have accepted orders independently totaling 10 billion yuan since the beginning of 1980.

Following the Third Plenary Session of the 11th Party Central Committee, departments in charge of machinery at various levels and the enterprises have broken through the old conventions and continued to explore the means to link production with demand in order to expedite the circulation of commodities.

Machinery and power products trade fairs. Since last October, many provinces, municipalities and autonomous regions, including Sichuan, Yunnan, Shandong, Shanghai, Jiangsu, Beijing, Tianjin, Hebei, Liaoning, Hubei, Henan, Guangdong, and Shaanxi, have separately held one or more trade fairs. Except for a small number of products which are in short supply, most of the products were open to free transactions. The volume of transactions at these trade fairs varied from several million yuan to 400-500 million yuan.

Permanent exhibition and sale street outlets. Accumulated orders handled several times a year are now attended to constantly throughout the year. Many provinces, municipalities, and autonomous regions have set up combined exhibition and sale street outlets to sell ready goods as well as to receive orders.

Joint sales organized by enterprises of the same trade. Some enterprises producing combined lathes, measuring and cutting tools, abrasives and abrasive tools, casting machines, electric tools and electric machinery have set up separate joint sales organizations, and some of them have opened retail centers in cities.

Consignment to commission houses or through commercial departments.

Retail departments set up by the enterprises themselves. Many plants producing instruments and meters, tools, ball bearings and standard parts have set up their own retail departments.

9411
CSO: 4006

INDUSTRY

DISCUSSION OF DEVELOPMENTS IN CHEMICAL FERTILIZER INDUSTRY

Hong Kong ZHONGGUO XINWEN in Chinese 5 Nov 80 p 1

[Article: "Rapid Developments in Our Chemical Fertilizer Industry"]

[Text] The Chinese fertilizer industry is rapidly developing. Right now, one day's production of chemical fertilizers is even greater than a whole year's production in 1949 and the overall arrangements are more suitable.

We have now already built and put into production 53 middle-scale nitrogen fertilizer plants. Except for Qinghai and Xizang the other provinces, municipalities and autonomous regions all have middle-scale nitrogen fertilizer plants. Over 1,500 small-scale nitrogen fertilizer plants are already in production and they are found in most counties. Their production capacity and quantities produced constitute over half of the whole nation's production capacity and amount of synthetic nitrogen fertilizer produced.

Since 1973, imported large chemical fertilizer installations capable of producing 1,000 ton of synthetic nitrogen fertilizer per day have successively gone into production.

Our varities of chemical fertilizer have developed from the single sulphate of ammonia of early Liberation to urea, ammonium nitrate, ammonium hydrogen carbonate, ammonium chloride and lime nitrogen which generally exceeds the main varieties such as calcium phosphate and calcium magnesium phosphate. Other varieties such as ammonium phosphate, phosphorous nitrate, potassium fertilizer, borate fertilizer, molybdic fertilizer and copper fertilizer are also in small-scale production. Production of chemical fertilizer has increased by over a hundred-fold since pre-Liberation times. This year the entire nation has already produced 9.48 million tons of chemical fertilizers, an increase of 22.9 percent over the same period last year.

Although our chemical fertilizer has made great advances, nonetheless it is still unable to meet the requirements of the four modernizations in regard to quantity, variety and quality. In the next few years the nation must continue to build many large and middle-scale chemical fertilizer plants. While developing synthetic ammonium and nitrogen fertilizers we must also speed up developments in phosphate and potassium fertilizers and in compound and composite fertilizer materials in order to meet the requirements in agricultural modernization.

11582
CSO: 4006

BRIEFS

HEILONGJIANG METALLURGICAL INDUSTRY--In 1980 Heilongjiang Province shut down, suspended or transferred 18 metallurgical enterprises whose production costs were high or whose products found no markets. The province increased 426 new metallurgical products which are badly needed for light and textile industries or housing construction. After readjustment, the metallurgical enterprises in the province overfulfilled their annual production plan by 13.5 percent, increased their output value by 3.2 percent compared with 1979 and earned a net profit of 40.85 million yuan. [SK082308 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 6 Jan 81 SK]

HEILONGJIANG LIGHT-TEXTILE INDUSTRIES--Heilongjiang Province successfully increased the 1980 output of light and textile industrial products in short supply and raised their quality. Some 20 products including soap, sugar and bulbs which were urgently demanded by markets are being provided. The province's 1980 total soap output surpassed the 1979 figure by 26 percent. The annual output of stationery exceeded the 1979 volume. The output of bicycles and sewing machines surpassed the 1979 figure by 23.6 and 38.9 percent, respectively. Meanwhile, food supplies developed rapidly. Its annual sugar productive capacity was 70,000 tons, and its annual output surpassed the 1979 figure by 25 percent. The annual sales volume of fresh milk exceeded the 1979 figure by 46 percent. Markets now are saturated by such commodities as milk powder and milk by-products. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 7 Jan 81 SK]

HUNAN LIGHT INDUSTRY--Hunan Province's light industry has fulfilled this year's production value plans 26 days ahead of schedule, accumulating 106 million yuan of capital for the state which represented an increase of 18 percent over the same period last year. The province had stressed increasing the varieties of light industrial products this year to meet demands of domestic and international markets. [Changsha Hunan Provincial Service in Mandarin 2315 GMT 29 Dec 80 HK]

NEI MONGGOL LIGHT INDUSTRY--The light and textile industries in Nei Monggol Autonomous Region achieved marked progress in 1980. According to statistics compiled at the end of 1980, the region's annual light and textile industrial output plan was overfulfilled by 14 percent, an increase of 17.3 percent over the 1979 figure. Some 250 state enterprises in the region accumulated 225 million yuan during the year, up 16.22 percent over 1979. [SK082314 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Jan 81 SK]

SHANXI TEXTILE INDUSTRY--Taiyuan, 20 Dec (XINHUA)--This year, Shanxi Province's textile industry has completed installing five processing lines for dyeing and treating chemical fiber fabrics, thus solving the problem that chemical fiber fabrics could not be printed and dyed within the province. [Beijing XINHUA Domestic Service in Chinese 0239 GMT 20 Dec 80 OW]

XIZANG LIGHT INDUSTRY--Lhasa, 6 Jan (XINHUA)--Light industry in Xizang Autonomous Region produced 43 percent more goods specially needed by minority nationalities in 1980 than in 1979, thanks to new policies now being implemented in the region. Funds allocated to the production of locally popular items such as phrue (a kind of tweed), pangdan (traditionally-worn aprons), carpets, woolen cushions and gold and silver ornaments jumped 200 percent over 1979, amounting to 72.5 percent of the region's total investment in light industry last year. [Text] [OW060845 Beijing XINHUA in English 0714 GMT 6 Jan 81 OW]

TEXTILE INDUSTRY REPORT MEETING--Beijing, 15 Dec (XINHUA)--The national report meeting on the scientific and technical achievements in China's textile industry was concluded on 15 December. The Ministry of Textile Industry issued certificates of merit and cash awards at the meeting for 340 scientific and technical results appraised and selected by the textile industry departments. [Beijing XINHUA Domestic Service in Chinese 1204 GMT 15 Dec 80 OW]

NORTHWESTERN BALLBEARING COMPANY--A ballbearing joint company for the five northwestern Chinese provinces and autonomous regions was founded on 16 December to sell ballbearings on behalf of ballbearing plants in Xinjiang, Gansu, Qinghai, Shaanxi and Ningxia. [Urumqi Xinjiang Regional Service in Mandarin 1620 GMT 27 Dec 80 OW]

GUANGDONG STEEL MILLS--Guangzhou, 31 Dec (XINHUA)--Guangdong Province has shut down and transformed 22 small iron and steel mills and readjusted the product structure of 2 medium-sized ones with very good results. Compared with the same period of 1979, Guangdong in January through November 1980 produced 1.4 percent more pig iron, 17.2 percent more steel and 9.7 percent more rolled steel, reduced losses by over 14 million yuan and conserved a large quantity of coal and electricity to support light and textile industries. Deficient in coke, the province had blindly established 37 small iron and steel mills and 2 medium-sized ones. Their total loss in the past 10 years amounted to over 500 million yuan. In 1980 it shut down 12 small mills and transformed 10 others, saving 100 million kWh of electricity and 50,000 dun of quality coal. [OW041609 Beijing XINHUA Domestic Service in Chinese 0204 GMT 31 Dec 80 OW]

JIANGXI METALLURGICAL FRONT--After preliminary readjustments, the Jiangxi provincial metallurgical front has reduced the scale of capital construction and suspended some enterprises which were not profitable. The provincial metallurgical front has carried out readjustments in three areas: 1) It has dealt with some 16 projects in accordance with the state's principles, suspended some minor projects and reduced investments by 170 million yuan; 2) increased production of products in short supply to promote sales and meet demand; 3) worked hard to improve product quality, save energy and reduce consumption to earn more profits. [HK300320 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 24 Dec 80 HK]

JILIN TECHNOLOGICAL INNOVATION--The industrial and communications front in Jilin Province scored achievements in technological innovation last year. Some 7,316 technological innovations, among them 675 major ones, were achieved. More than

500 enterprises saved 26 million kWh of electricity through the utilization of infrared heating technology. In addition, the province saved some 35 million kWh of electricity after modifying 100 centrifugal blowers. [SK051349 Changchun Jilin Provincial Service in Mandarin 2200 GMT 4 Jan 81 SK]

LIAONING CHEMICAL PRODUCTS--Liaoning Province had prefulfilled the 1980 chemical export plan by 1 month, increasing it by 58.2 percent over the 1979 figure. About 109 chemical products were exported in 1980. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 2 Jan 81 SK]

NEI MONGGOL NITROGEN FERTILIZER--Small nitrogen fertilizer enterprises in Nei Monggol had produced 188,300 tons of ammonium carbonate as of 28 December, overfulfilling the annual nitrogen fertilizer production plan 33 days ahead of schedule. By the end of October, their coal consumption declined from last year's 3,600 kg to 2,300 kg and electricity consumption declined from last year's 1,862 kWh to 1,577 kWh for producing 1 ton synthetic ammonia. Production costs for 1 ton ammonium carbonate was reduced from last year's 214 yuan to 114 yuan. Including subsidies from the state, these enterprises earned 3.81 million yuan this year. [SK310724 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 29 Dec 80 SK]

SHAANXI INDUSTRY--According to a SHAANXI RIBAO report, the Shaanxi provincial industrial and communication systems had closed, amalgamated or shifted to other production 243 industrial units at and above the county level in the past year. This has greatly stimulated production and changed the serious imbalance between light and heavy industries. Among these 243 industrial units, 40 percent of them were small steel, cement plants and so on, and 26 percent of them have changed over to production of light industrial products. From January to October of this year, the proportion of light industrial output to the total industrial output increased by 5.4 percent over the same period in 1978 before the readjustments. [Xi'an Shaanxi Provincial Service in Mandarin 1100 GMT 12 Dec 80 HK]

SHAANXI MACHINE BUILDING INDUSTRY--The machine building industry in Shaanxi has overfulfilled the year's production plans 1 month ahead of schedule by 6.5 percent, earning a profit of 107 million yuan. Foreign trade exports have exceeded the year's plans by 100 percent. In the management of the machine building industry, enterprises have been seriously rectified and their decisionmaking power have been expanded. At present, the number of units that have taken part in joint ventures has increased from 8 at the beginning of the year to 54. [Xi'an Shaanxi Provincial Service in Mandarin 2300 GMT 19 Dec 80 HK]

SICHUAN LIGHT INDUSTRY--By the end of November, the total value of output of enterprises under the No 1 Light Industrial Bureau fulfilled 93 percent of the year's plans. This is an increase of 10 percent over the corresponding period of last year. Of the 22 main light industrial products, output of sewing machines, wristwatches, bulbs, paper, soap and matches has fulfilled the year's plans. This year, the light industrial enterprises in Sichuan produced 38 new products, which were welcomed by the consumers. [Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 18 Dec 80 HK]

XIZANG LIGHT INDUSTRY--Lhasa, 29 Dec (XINHUA)--The light industrial department in Xizang Autonomous Region puts stress on the production of specific-need commodities for minority nationalities, including rugs, jewels, garments, leather goods and household utensils. The output of such commodities increased by 43 percent in 1980 compared with 1979. The light industrial department put 72.5 percent of its investment in the production of the specific-need products for minority nationalities in 1980. [Beijing XINHUA Domestic Service in Chinese 0344 GMT 29 Dec 80 OW]

YUNNAN FERTILIZER PLANTS--Kunming, 21 Dec--This year Yunnan Province has closed down 26 of its 48 small nitrogenous fertilizer plants that have suffered losses for a long time. As a result of this action and the improvement of management at the remaining plants, the province's chemical fertilizer output from January to November increased 7 percent, or more than 16,500 dun, over that in the corresponding period of 1979, while losses dropped by 41 percent, or more than 125,000 yuan. [Beijing XINHUA Domestic Service in Chinese 0137 GMT 21 Dec 80 OW]

NONFERROUS METAL PRODUCTION--Beijing, 14 Dec (XINHUA)--China met the annual production quotas for copper, aluminium, tin, tungsten and 6 other non-ferrous metals 5 weeks ahead of schedule, reported the Ministry of Metallurgical Industry today. The ministry estimated that the country would increase its production of non-ferrous and rare metals by 6.5 and 3 percent respectively this year over last year. Non-ferrous metal products would equal last year's production level, but those for light industry and agriculture would go up by 42 percent. The "Swallow Brand" high-surface aluminium produced by the Southwest China Aluminium Plant and 7 other products won state gold or silver medals this year and 68 more products were cited by the Ministry of Metallurgical Industry for high quality. The export of non-ferrous metal products and rare metals increased markedly this year, reaching 100 million dollars. Sponge titanium was up by 32 percent, rare earth metal compounds by 108 percent and aluminium products by 300 percent. [Text] [Beijing XINHUA in English 0723 GMT 14 Dec 80 OW]

CSO: 4006

CONSTRUCTION

GEZHOUBA DAM, KEY WATER CONTROL PROJECT, NEARING COMPLETION

Beijing GONGREN RIBAO in Chinese 11 Nov 80 p 1

[Article by Xie Bo [5641 3134], correspondent of our Hubei Office: "Finishing Touches Vigorously Taken in Hand in the First Stage of Construction of the Gezhouba Dam, a Key Water Control Project; First Dam on the Yangtze Ready To Control Its Waterflow"]

[Text] Recently, the State Inspection and Acceptance Commission carried out its inspection of the intermediary stage of water control of the first dam across the Yangtze, the Gezhouba key water control project at the first phase of this engineering project. The commission approved that the period of low water during the coming winter and next spring should be used to effect the full control of the waterflow.

The Gezhouba key water control project is today our country's largest hydroelectric engineering project. This key dam is located 3 km downstream from the Nanjin narrows [Nanjin Guan] out of the Three Gorges. It is within the jurisdiction of Yichang Municipality in Hubei Province. The big dam is 2,561 meters long and 70 meters high to its crest. It controls a drainage area of 1 million km square and the reservoir has a capacity of 1,500,008,000 cubic meters. Main structures of the project are: 27 spillway sluice gates, 2 silt discharge gates, 3 water retaining dams, 2 power station buildings, 3 ship locks and upstream and downstream navigation channels. The power station will have 21 generators with a total capacity of 2.7 million kilowatts and an average annual generating capacity of 13.8 billion kilowatt-hours, which is over 3 times the total preliberation power production in the nation. The three ship locks will soon have a capacity of 20 million tons per year each way, later this will be expanded to 50 million tons. After the entire key engineering project has been completed, it will produce electric power, allow navigation and also achieve an effective improvement in river transport, especially through the Xiling Gorge with its many shoals and rapids.

Due to the special geological factors in the dam area, the entire engineering project used a two-stage method with two phases of diversions. The principal structures of the first stage of construction were: a spillway of 27 sluice gates with a waterflow of 81,000 cubic meters per second, a power station for generators capable of producing 965,000 kilowatts, 2 ship locks which allow passage of fleets of 3,000 to 10,000-ton class ships and the silt discharge sluice with 6 gates which will prevent the accumulation of Yantgze silt.

The entire engineering project of the Gezhouba key water control project was planned, executed and constructed by China alone. Groundbreaking for the first phase of the preparatory construction took place on 30 December 1970, and construction on the principal engineering projects on a large scale was begun in October 1974. The No 330 Engineering Bureau and the broad masses of workers and technical engineering personnel of the Yangtze Basin Planning Office who took part in the planning and construction of the engineering project overcame many difficulties, feeling the pride of being masters in their own home, with a fully liberated mind, with a willingness to face hard work and arduous struggle and relying on their own intelligence and wisdom. In the course of planning and executing this project, use was made of many new skills and technologies and new materials, also utilizing the rationalization proposals coming from the masses of workers and technical engineering personnel. According to incomplete statistics, the staff and workers of No 330 Engineering Bureau submitted 163 rationalization proposals since the start of the main construction, of which 155 found application. A series of 3,700 research results and innovations were produced, of which 3 were awarded prizes by the Hubei Provincial Science Congress. More than 1,300 factories and units throughout the country supplied over 5 million tons of various materials such as cement, steel and timber, installed over 130,000 tons of engineering equipment and almost 10,000 items of major construction equipment, among these several items that were manufactured for the first time in China. Throughout the country more than 100 research and planning units and institutions of higher learning took on technical research for the project and many well-known specialists and professors contributed to the planning of the project. All this played an important role in insuring the high quality of all work on the engineering project and helped speed up its construction.

From 10 to 13 October, the State Inspection and Acceptance Commission, directed by the State Construction Commission, guided by various units concerned and participated in by specialists and professors, conducted its inspection and accepting procedure, based on preliminary investigations of three ministries, namely the Ministry of Water Conservancy, the Ministry of Electric Power and the Ministry of Communications, and came to the conclusion that the preparatory task of controlling waterflow had already basically been achieved and that at present the finishing touches to insure the perfection of the engineering project must be vigorously taken in hand.

To carry out control of waterflow on the main riverbed of the Yangtze is a pioneering undertaking in the history of our country's water conservancy construction. The scale of the engineering project is huge, the task to be accomplished is arduous and formidable and the technology is highly complex. The broad masses of technical engineering personnel and workers are determined to follow the exhortation of our former Premier Zhou and struggle to accomplish this important task "with greatest care as if approaching a deep abyss or treading on thin ice." [A quotation from the Book of Odes]

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CSO: 4006

BRIEFS

HEILONGJIANG CAPITAL CONSTRUCTION--In order to implement the readjustment policy and control the scale of capital construction, the Heilongjiang Provincial Planning Commission, Construction Commission, the Provincial Finance Bureau and the Provincial Construction Bank recently issued a joint circular. Beginning 1 January 1981, the various departments, units, mass organizations, enterprises and establishments must secure licenses from the provincial authorities before starting any locally invested capital construction project. The circular provided that the various departments should deposit their construction funds in banks before applying for licenses and they can only use the money in construction projects after acquiring licenses. [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 6 Jan 81 SK]

JIANGSU CAPITAL CONSTRUCTION--Jiangsu has canceled or suspended more than 20 large and medium-sized water conservancy projects. Capital construction expenditures in the province in 1981 are expected to drop to 20 million yuan compared with 130 million yuan in 1980. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 5 Jan 81 OW]

JIANGXI BUILDING MATERIALS--In 1980, production of cement, bricks and tiles, fiberglass and sand in Jiangxi had all overfulfilled the year's plans. The total value of the production of construction materials increased by 8.38 percent over 1979. From January to November 1980, costs of the production of construction materials was reduced by 2.91 percent. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 1 Jan 81 HK]

SHANXI WATER SUPPLY PROJECT--Taiyuan, 19 Dec (XINHUA)--A large-scale water supply project capable of supplying 130,000 dun of water in every day was recently completed in Yangquan Municipality, Shanxi. Invested by the General Administration of Municipal Construction under the State Council, the water supply project is located some 60 li from Yangquan City. In 1974, the state decided to allocated 30 million yuan to help Yangquan City build this project. [Beijing XINHUA Domestic Service in Chinese 0232 GMT 19 Dec 80 OW]

CSO: 4006

GUANGDONG PROVINCE STRENGTHENS PRICE CONTROL, STABILITY

Guangzhou NANFANG RIBAO in Chinese 2 Nov 80 p 1

[Article by NANFANG RIBAO correspondent: "Guangdong Provincial People's Government Issued Notice to Further Strengthen Price Control and to Stabilize Market Prices"]

[Text] Recently, the Guangdong People's Government issued a notice on further strengthening price control and stabilizing market prices.

The "Notice" pointed out that since the beginning of 1980, price control in the provinces has been unsatisfactory and market prices have risen. This has, to a certain extent, adversely affected stability and unity, as well as the progress of the four modernizations. It is necessary, therefore, to further strengthen price control and to insure the basic stability of market prices.

The "Notice" also pointed out that continued efforts must be made to maintain the stability of the prices of the 21 types of main consumer goods and the 4 types of service charges stipulated by the central authorities. Increasing selling prices at will, or inflating them in disguised ways, is not permitted. If price adjustments are really necessary, a report must be submitted by the relevant price control organ for approval by a government body of the same level. However, strict control must be exercised. The prices of vegetables sold in large quantities in large and medium-size cities or in industrial and mining areas must also be kept stable. Anyone who has increased the selling prices at will, or inflated them in disguised ways, must take the initiative of reviewing and immediately correcting them, or he will be severely dealt with if discovered after investigation.

The "Notice" reiterates the ruling of the People's Government forbidding the sale of industrial products for daily use at negotiated prices. The departments or enterprises (including trust companies, trade warehouses, and basic level supply and marketing cooperatives) selling such industrial products of Categories I and II must immediately stop such business, or they will be shut down. In addition to the confiscation of their illegal gains, fines will be imposed and the leaders and responsible persons will be persecuted.

As to those industrial products of Categories I and II which can be sold under the regulation, the prices of the portion sold to the commercial wholesale departments and retail units can be set at a level between the ex-factory price and the commercial wholesale price after consultation by both the industrial and commercial units. The prices of those directly sold to the consumers or sold through the retail departments of the producers (including combined exhibition and sales departments) must be the same as the unified retail prices used by local commercial units. The trial prices of new products or products of new specifications should be set by the enterprise according to the market prices of similar products. However, strict investigation must be exercised and no price inflation in disguised ways is allowed. Industrial products for daily use of Categories I and II, not included in the procurement plans of the commercial or supply and marketing departments, should be sold at the listed prices of the local market, and no negotiated price is permitted.

The "Notice" stressed the need to conscientiously adjust the commodity prices of negotiated purchases and sales. The prices of Category III industrial and agricultural products should be flexible and suitable to the changing conditions, but severe fluctuations must be guarded against. The authority for price control and the principles guiding the setting or prices should conform to the relevant regulations. Agricultural sideline products under Categories I and II cannot be sold at negotiated prices before the fulfillment of state procurement plans. Questions relating to the prices of negotiated purchases and sales should be handled according to the provincial government's "Provisional Regulations Concerning Questions on Negotiated Purchases and Sales of Agricultural Sideline Products."

The "Notice" further stipulated that the selling prices of imported commodities should be controlled by the authorities in charge of the same type of commodities at home, and those importing commodities of different trades should use the prices set by the different departments in charge instead of setting their own prices. Any selling price of imported goods that have not been approved by the relevant price control departments should immediately obtain such approval. No imported industrial products can be sold at negotiated prices.

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CSO: 4006

DOMESTIC TRADE

NOTICE ON PRICE CONTROLS IN GUANGDONG ISSUED

Hong Kong ZHONGGUO XINWEN in Chinese 5 Nov 80 p 3

[Article: "Guangdong Takes Actions to Stabilize Prices"]

[Text] All this year price management in Guangdong has been been chaotic and market prices have gone up. In order to guarantee market price stability the Guangdong Provincial Government recently issued a "Notice" which requires that the prices of 21 major consumer items and fees for four services that are regulated by the central government will remain steady and raising and hidden changing of prices is prohibited. The price of staple vegetables in large and middle size markets and in factory and mining regions must also remain stable. The Provincial People's Government has ruled that there can be no price negotiations for 51 types of first and second class items such as cotton cloth, undershirts, cotton and wool shirts and trousers, wool, civilian use coal gas and table salt. Prices in the trial sales of new and improved products should be individually determined by the enterprises according to the market prices of comparable products, however there must be rigorous studies made and no hidden price rises are permitted.

The "Notice" issued by the Guangdong provincial government also ruled that the sales price for imported commodities should be managed through a division of authority among domestic producers of similar commodities rather than allowing the importers of the commodities to set the prices.

11582
CSO: 4006

DOMESTIC TRADE

MARKET FORECASTING ADVOCATED FOR GOOD PRODUCTION PLANS

Guangzhou NANFANG RIBAO in Chinese 22 Nov 80 p 1,2

[Article by Lin Liangxuan [2651 5328 0193]: "Strengthen Market Forecasting Work"]

[Text] What is market forecasting? Market forecasting work is the study of the (possible) future needs in commodities with the goal of guaranteeing that production supply planning has a basis. To forecast means to calculate in advance. Forecasting and estimating are different. Forecasting has a definite scientific basis and it reflects a person's understanding of the laws of objective economic activity. Market forecasting includes the forecasting of developing conditions and changes in domestic and foreign markets; the forecasting of changes in consumer psychology, habits and livelihood conditions and of changes in purchasing conditions; the forecasting of changes in the political and economic conditions in commodity sales regions (or nations); the forecasting of production developments, changing conditions and market proportions in a given industry; and the forecasting of sources for raw materials, supplementary materials, energy, commodity components, labor forces, capital, prices and profits.

After the expansion of enterprise autonomy the strengthening of market forecasting work became a problem requiring urgent solution by enterprise management, especially in planning management.

The viewpoint of the economic results of management. After the expansion of enterprise autonomy and under the direction of the national plan the decision making power for a great amount of production management was given to the enterprises. The enterprises were permitted to engage in production and sales which were not included in the plan. In this way the enterprises became commodity producers and their economic activities developed broad-ranging relationships with the market. If an enterprise wants to obtain ideal economic results it must develop and strengthen its market forecasting work, clarify market needs and changing conditions and moreover it must harmonize market conditions with the enterprise itself and its goals for development, do research and make analyses and then select the best course of action. If the market analysis is ignored and there is blind production then there is the danger of stagnant sales and there will be problems in meeting production costs.

The viewpoint of production goals. The production goal of socialist enterprises is to satisfy the needs of society and the people. The various needs of society and the people are mainly satisfied through the market and conditions and changes in the market basically reflect the conditions and changes in the needs of society and the people. Therefore, when the enterprises formulate production plans they must make market forecasts and use market needs to objectively formulate the plans. Only in this way will enterprise products suit product needs and will enterprise production management manifest the basic rules of socialism and suit the laws of socialist production. If otherwise, then it would be hard to find social justification for the use value of the products of enterprise production. If a great many commodities are produced but nobody wants them then there will be dislocation between enterprise production and social needs. In the past market forecasting was considered "capitalist business sense" and criticized as such. At present there still are quite a few comrades who shun it, dare not mention it and dare not undertake such work. This is a serious problem. This is especially so after the gradual reform of the economic system because competition between enterprises has already appeared in our socio-economic life. If the thinking of an enterprise's management remains at this level the enterprise will suffer and may even be in danger of being eliminated.

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CSO: 4006

FOREIGN TRADE

NATION'S HONG KONG COMPENSATION TRADE GROWS

HK080307 Hong Kong TA KUNG PAO WEEKLY SUPPLEMENT in English 8-14 Jan 81 p 15

[Text] In the year 1980 there had been a marked increase in cooperation between Hong Kong and the mainland in compensation trade and in the processing of materials. This form of cooperation requires little investment but gets quick results and tallies with the needs of the current economic development of China. In 1981 compensation trade will continue to occupy a very large proportion of Hong Kong-mainland cooperation, as it has proved a very practicable form.

In the past year, several foreign banks have asked to develop their business in China. The recent setting up of an office in Beijing by the Hong Kong and Shanghai banking corporation can be regarded as an example of the close attention paid to China by the Hong Kong banking circle. It is certain that in 1981, or over a longer period, more foreign banks or financial groups will set up offices in China. This is a developing trend.

There are many forms of economic cooperation with China. Recently some foreign businessmen have proposed establishing a company of joint investment to discuss opportunities for investing in China. Whether this form is practicable remains to be studied. However, it may turn out to be a very good idea.

Many foreign businessmen also suggested that we should consider setting up some advisory groups in Hong Kong if they are to make large-scale investments in China. In these advisory groups Chinese and foreign experts are to study the possibilities of cooperative development.

In the past year, our corporation has often gathered materials for foreign businessmen interested in making investments in China and introduced them to organizations concerned in various provinces and regions for direct consultation on ways of cooperation--organizations such as those sponsoring investment business. We are now contacting some foreign businessmen to plan the utilization and development of the natural resources of various provinces.

CSO: 4020

BRIEFS

COMMODITIES INSPECTION--Beijing, 20 Dec (XINHUA)--The China National Import and Export Commodities Inspection Corporation has decided to conduct inspection and survey of Chinese exported commodities on commission for foreign business firms and inspection organizations. The decision was made at a national meeting of inspection directors which closed here today. The corporation will undertake to survey and inspect various items that may not be included in foreign trade agreements and issue accurate and timely certificates based on actual tests and inspections. The corporation also decided to provide consulting services in connection with foreign trade to overseas businessmen and inspection organizations. It may dispatch its staff to perform inspection tasks abroad when necessary and receive foreign colleagues in China to exchange technical information. The Chinese corporation was set up on July 1 this year. It does its business fairly and independently with an aim to protect the justified rights and interests of the involved trading parties. It has so far established business relations with 43 overseas inspection organizations and business firms in the world. [Text] [OW200756 Beijing XINHUA in English 0745 GMT 20 Dec 80]

CSO: 4020

TRADE UNIONS WANT INVESTIGATION OF STAFF, WORKERS' LIVELIHOOD

Beijing GONGREN RIBAO in Chinese 6 Nov 80 p 1

[Article: "All-China Federation of Trade Unions Advises All Member Unions To Inspect Staff and Workers Livelihood"]

> [Text] The Federation demands that attention be paid to summing up and widely propagating all advanced experiences, to commend all advanced models, to take up contacts with relevant agencies for a conscientious study as to how to solve all those pressing problems of the masses that can possibly be solved. Units that pay no attention to, or infringe upon, the interests of the masses, that are seriously indifferent to the livelihood of staff and workers, that have created special privileges, or allowed unhealthy tendencies to arise, must be criticized. In serious cases, disciplinary measures should be recommended or the responsibilities for such actions investigated.

In the latter part of October, the All-China Federation of Trade Unions issued a notice suggesting that trade unions at all levels take up close contacts with the local government agencies concerned and the management of industrial enterprises to carry out a one-time investigation of the livelihood of the staff and workers and conscientiously study how to solve all those pressing problems of the masses that can possibly be solved. The notice reads as follows:

Starting this year, the trade unions at various levels have paid great attention to taking firmly in hand all work concerned with the livelihood of the staff and workers. They have organized livelihood logistics [shenghuo houqin] competitions, launched movements to do the people good turns, investigated the livelihood of the staff and workers and have cooperated with the representative assemblies of staff and workers in solving those pressing problems in the livelihood of the masses that could be solved. In all these directions a great amount of effective work has been done and many advanced models and excellent examples have emerged in all areas.

However, many problems still remain in the livelihood of staff and workers. There are still serious incidents of bureaucratism and unhealthy tendencies that show up as a neglect of, or an infringement upon, the interests of the masses. Work related to the livelihood of the staff and workers is still highly inadequate to meet the demands of the four modernizations and of the masses. We therefore suggest that the trade unions at all levels take up contacts with the local government agencies and business administrations concerned, penetrate deeply the grassroots units, penetrate deeply the actual realities of the situation, and earnestly carry out a one-time investigation of all work in connection with the livelihood of the staff and workers, and furthermore establish this as an important matter throughout the four seasons of the current year, to be taken firmly and effectively in hand.

I. The investigation shall primarily comprise:

1. Reports on the livelihood logistics [shenghuo houqin] competitions that have been launched, their effects and any existing problems;

2. Reports on raising and disbursing various expenses that relevant state regulations stipulate as to be expended on staff and workers welfare;

3. Reasons why problems in the livelihood of the masses that should have been, and could have been solved, have for a long time not yet found their solution;

4. Whether the solution of important questions of livelihood depends on a further development of democracy and on following the mass line, and conditions of mass participation in democratic administration;

5. Demands and criticism by staff and workers as to questions of livelihood, and how these problems were incorporated into the construction plans of business administrations and government agencies at all levels.

II. The investigation must start out from the realities of the situation, emphasize practical results, not engage in empty formalism or merely go through the motions; it must conscientiously study how to solve the pressing problems of the masses that should and could be solved. Integrate the investigation with a strengthening and improvement of the livelihood logistics competition and organizational leadership in other work concerning the livelihood of the masses, pay attention to summing up and propagating advanced experiences and commend any advanced models. Show solicitude and provide adequate solutions for the various problems in the ideological, livelihood and work conditions of staff and workers in logistics and bring into full play their socialist enthusiasm.

Investigation of livelihood conditions at the grassroots must by all means have the participation of the representatives of the masses of staff and workers. Integrate the investigation with rectification and perfection of the democratic administrative organization in matters of collective welfare, protection of democratic rights in the lives of staff and workers, safeguard welfare institutions for staff and workers, including effective mass supervision of adjustments and allocations of housing.

The problems that have been elicited during the investigation and the proposals for their disposal shall be transmitted to the assembly of staff and workers representatives or to meetings of staff and workers representatives to deliberate, decide and solve within a definite time. Cases requiring large financial or material means for their solution shall also be made a responsibility of the relevant government authorities, which should subject them to conscientious investigation and study and, after establishing need and possibility, shall in a practical and realistic way prepare short-term and long-term plans to deal with these cases. Units that pay no attention to, or infringe upon, the interests of the masses, that seriously disregard the welfare of the staff and workers, establish special privileges and show unhealthy tendencies must be reported for criticism and correction. Under aggravating circumstances, proposals for their disciplinary punishment or for an investigation of responsibilities must be made to the proper authorities.

III. During the investigation, special attention must be paid to ideological-political work among the masses, to educate the masses to develop a spirit of willingly engaging in arduous undertakings, of regeneration through self-reliance, of uniting forces and mutual aid, and to organize the masses to help each other in solving all problems of livelihood. The personnel carrying out the investigations must behave in an exemplary manner, practice strict economy, oppose all luxurious living, extravagance and waste and set an example in excellent social workstyle and practices.

IV. Prompt reports must be submitted on conditions and problems in the investigation and of ideas as to how to strengthen and improve our work concerned with staff and workers welfare.

8453
CSO: 4006

LABOR AND WAGES

PRESENT APPROACHES TO LABOR, EMPLOYMENT PROBLEMS

Hong Kong CHING-CHI TAO-PAO [ECONOMIC REPORTER] in Chinese No 38-39, Oct 80 pp 21-22

[Article by Fang Jingen [2455 6855 2704]: "China's Present Approaches to Labor and Employment Problems"]

[Text] The national labor and employment work conference held not long ago put forward a new policy for solving labor and employment problems. It is a policy of gradually integrating, under overall state planning and guidance, employment through recommendation by the labor department with employment organized on a voluntary basis or employment secured through one's own efforts.

This new policy changes the unified state assignment of jobs, a method that had been adopted to solve labor and employment problems over the past three decades. This method of unified state assignment of jobs encouraged those waiting for employment to depend on the state and caused them to lose the possibility of and enthusiasm for organizing employment on a voluntary basis or obtaining employment through their own efforts. In fact, because there was something wrong with the economic system of our country, the actual conditions of our country were not taken as the point of departure and diversified economic sectors were not allowed to exist side by side under the predominance of the national economy and collective economy. Instead, transition of ownership by the collective to ownership by all the people was improperly stressed, so much so that individual economic undertakings were inhibited or even eliminated, thus increasingly narrowing down the outlets for obtaining jobs. This plus the fact that labor planning was divorced from the national economy as a whole and the educational system was divorced from the labor system led to the following state of affairs: On the one hand, each year saw large numbers of unemployed waiting for state assignment of jobs. On the other, large numbers of production and service trades were not taken up, thereby causing much inconvenience to the people's livelihood. And once one was assigned to a job one was "insured." One who obtained a job tended to think that he had an "iron rice bowl." This detracted from the enthusiasm of staff and workers for mastering techniques and improving their professional ability.

Implementation of the new policy will not only lend itself to eliminating the above drawbacks, broaden the outlets of employment and enable more people to obtain jobs but also make it possible for the workers to choose their work posts with consideration given both to the needs of the state and to their specialities and aspirations. This will also make it possible for enterprises to increase or cut down labor power according to production needs.

The conference suggested that the fundamental approaches to labor and employment problems are to set minds free, relax policies, vigorously develop collective economic undertakings that assume their own profits and losses, and appropriately develop individual economic undertakings that do not exploit others. The specific measures are: (1) Vigorously support and set up various types of cooperatives and cooperative teams that raise their funds and assume responsibility for their own profits and losses. (2) Let enterprises owned by the whole people set up cooperatives as independent accounting units, utilizing their technical force, leftover bits and pieces of industrial materials and idle plant buildings and equipment. (3) In city and town suburbs, develop united agricultural-industrial-commercial enterprises of farms (plants) and brigades with educated youths as the main body. (4) Encourage and support appropriate growth of individual economic enterprises. (5) In the case of certain trades or kinds of work, restructure, in the light of actual conditions, the man-hour system and increase the number of shifts and rest hours so as to accommodate more of the unemployed. (6) Restructure the intermediary education system and develop occupational and technical education so as to create conditions for employment. (7) Set up labor service companies.

These measures were affirmed at the recent national labor and employment work conference and were recommended as good experience to the whole country. The following is an account of the measures mentioned above.

Setting Up United Agricultural, Industrial and Commercial Enterprises in City and Town Suburbs

More than 8,000 united agricultural, industrial, and commercial enterprises, and farming, forestry and animal husbandry farms with educated youths as the main body have been set up in the suburbs of cities and towns of our country, accommodating more than 500,000 educated youths. These united agricultural, industrial, and commercial enterprises have played an important part in increasing supply of nonstaple foods to cities and towns and changing the features of city and town suburbs.

These united agricultural, industrial and commercial enterprises are in the category of collective enterprises assuming their own profits and losses. In the first few years of their establishment, they may pay no tax, deliver no profits to the higher authorities and assume no tasks of planned purchase and levy of farm produce. All localities regard this as a comparatively good form of arranging employment for the unemployed youths. From now on, this method will be mainly adopted in respect to the educated youths to be sent to the countryside. In the past, educated youths went alone to live and work in the countryside.

Hongqi Comprehensive Farm in Xiangtan municipality, Hunan is a farm run with comparatively good results. At the recent national labor and employment work conference, this farm gave an account of their experience. It has more than 1,500 staff and workers, including 400 who are local commune members, forming the backbone of agricultural production on this farm. Their former land has been merged with this farm.

Hongqi Comprehensive Farm has more than 2,400 mu (160 hectares) of cultivated land. Except for the part contributed by the commune members, the cultivated land was opened up by educated youths themselves. The land is used mainly to plant cash crops like fruit trees, tea bushes and peanuts. In the last three years, the farm provided markets at home and abroad with 859,000 jin of commodity oranges and tangerines, 128,000 jin of tea leaves, more than 5,600 head of live hogs, 4 million jin of vegetables in addition to water melons, fresh fish, honey, fresh mushrooms and soybeans.

Further, the farm has set up eight plants--an ore crushing plant, a chemical plant, a brick factory, an electrical machinery plant, a general plant, a tea processing factory, a leather goods factory and a vermicelli factory. The total value of the farm's industrial output amounted to 4.79 million yuan in 1979, or 81.3 percent of the total value of its industrial and agricultural production. Of these plants, some serve the purpose of developing hog-raising, some process the farm's agricultural by-products and some serve the livelihood of urban people and major industries. Further, Hongqi Comprehensive Farm has set up two stores to market its products, thus forming a single line of production, processing and marketing.

Wages for the farm staff and workers averaged 43.80 yuan each per month during 1979, which was equivalent approximately to the wage level of grade-3 workers in Xiangtan municipality. Beginning last year, five kinds of fees are no longer collected from educated youths: living quarters, water and electricity, medical service, hair-cutting, nursery for two children, schooling for school-age children (staff and workers' children receive a 50 percent discount on medical fees). As for working hours, it is stipulated that staff and workers engaging in agriculture and industry work 26 days a month, 8 hours a day. The farm has built welfare facilities such as a library, TV room and public baths.

Many cities and towns have incorporated development of such united agricultural, industrial, commercial enterprises into their overall plans of urban development. They plan to build some united agricultural, industrial, commercial enterprises into satellite cities and towns with concentrated industry and commerce so as to further reduce the difference between town and country and between industry and agriculture.

Restructuring the Man-hour System

Some industrial departments in our country are in the act of gradually restructuring the man-hour system. For example, the working hours have been changed from 8 to 6 for the coal miners working at the shaft bottom (this change has been tried out among some enterprises). By so doing, one shift of workers is added. Beginning last year, our textile system has tried out "four shifts with three working a day" among some 120 cotton textile enterprises.

By "four shifts with three working a day" we mean changing the original three shifts into four shifts with three shifts working and one taking off in turn each day. On the average, working hours are shortened by 0.92 hour for each worker a day, which means working 5.26 days a week. In particular, with the former practice of working nights in succession changed, staff and workers can have a better rest with the result that their health has improved and their attendance rate has been raised. According to figures from 66 cotton spinning and weaving mills in 11 provinces and municipalities including Shanghai, Tianjin, Beijing, Liaoning and Shandong, the yarn and cloth produced in the first quarter this year increased respectively by about 15 percent compared with the time prior to the restructuring, and labor efficiency has increased by 5.25 percent. The increase was equivalent to the output of 12 medium textile mills each with 50,000 spindles and 1,000 looms.

With working hours shortened, staff and workers are in a better position to devote their leisure hours to cultural or technological studies. According to statistics compiled by Beijing State-operated Cotton Mill No 2, after this new man-hour system was put into effect, those studying in spare-time schools have increased from 400 to 2,000.

It is calculated that with the "four shifts with three working a day" system popularized, jobs can be created for 100,000 persons.

Setting Up Labor Service Companies in Cities and Towns

More than 830 labor service companies have been set up in various cities and towns of our country. With 1.5 million personnel they can provide labor service for factory, mine and enterprise production and residents' livelihood. According to the needs of society and the specialities of the unemployed, specialized contigents are organized to provide labor service in diversified forms. This is one of the tasks of the labor service companies.

Another task of the labor service companies is to give technical training to those waiting for employment so as to create conditions for employment. The features of training are determined according to the needs of different localities. At present, among the measures for training taken by various labor service companies are: employ engineers, technicians, proficient elderly workers, and college teachers to run technical training courses; invite enterprises and higher learning institutes to give training. These two forms of training will generally take several months to one year. Training also assumes other forms, such as taking on an apprentice and making a training contract. Concerning training expenses, in addition to defraying them out of their accumulated funds, the companies concerned recieve subsidies from the state.

Neighborhood organizations and major factories in many localities have set up or are setting up labor service companies. According to a cadre of the state general labor bureau, labor service companies will gradually grow into an organizational form for regulating the labor force in society and having a role in distributing the labor force.

Encouraging and Aiding Appropriate Growth of Individual Economic Undertakings

During the 10-year turmoil, individual economic undertakings were cut off as "tail of capitalism." But the recent National Labor and Employment Work Conference declared in clear-cut terms: Individual economic undertakings are appendages of the socialist economy owned by the public and a necessary supplementary form, and they will play an active part for some time to come.

The conference required the departments concerned to give support to individual economic undertakings and refrain from making things difficult for or discriminating against them. All law-abiding individual laborers should be respected by society.

China's industrial and commercial administrative departments have relaxed restrictions on the scope of growth of individual economic enterprises and on the issuance of business licenses to them. In the past, enterprises like hotels, restaurants, and watch-repair, bicycle-repair and photograph trades were monopolized by state-operated enterprises. Beginning from the second half this year, the state permits collective or individual economic enterprises to engage in the abovementioned businesses. Furthermore, the state has stipulated that those engaging in individual economic undertakings may purchase from state-operated stores or fairs in their vicinity raw and processed materials necessary for the products they handle. In the past, they were forbidden to do so.

Thanks to state support, individual economic enterprises have begun to stage a comeback. According to information furnished at the National Labor and Employment Work Conference, by the end of last year the number of individual laborers was back to 320,000, 16 percent of the nearly 2 million individual laborers in China during 1966, the year in which the turmoil began.

The majority of these individual industrial and commercial laborers are middle-aged and elderly people, fifty or older. A considerable part of them were people who had engaged in individual economic enterprises prior to the 10-year turmoil and who were subsequently compelled to stop and become idle.

The special features of individual economic undertakings include decentralization and flexibility. Many of the trades and products they handle are things seldom, if ever, handled by the state, or which cannot be handled easily by the state. Furthermore, they are things which are necessary in the daily lives of the people, so they are well received.

To be sure, the development of individual economic enterprises will bring about some unavoidable evils. For this reason, the state will draw up some decrees and regulations to strengthen its management.

Develop Various Kinds of Vocational Education; Provide Opportunities for Schooling

In order to integrate the educational system more effectively with the employment system and improve the cultural and technical qualities of the working masses in our country, it is imperative to set up vocational schools and skilled workers' schools of various types and gradually build an integral network of vocational education step by step. According to statistics, there are 1,980 intermediary schools and colleges for professional training with 710,000 students, and nearly 3,000 skilled workers' schools with 640,000 students in China. That is the base for developing vocational education in our country. In addition, there are spare-time schools, correspondence schools, TV schools as well as various training courses and professional training courses run by enterprises for their staff and workers in various localities. But, owing to the disruptive activities of Lin Biao and the "gang of four," the cultural and technical levels of the staff and workers in our country are far below the needs of the four modernizations. Take Beijing for example. Of the 2.24 million staff and workers in the municipality 40 percent were taken into the factories after the Great Cultural Revolution. Viewed from the angle of educational level, 80 percent of them are at a junior middle school level or lower. With a view to changing this state of affairs as quickly as possible, the state is taking the following specific steps:

Change some of the standard senior middle schools into vocational schools. The specialities offered by various vocational schools should fit in with the restructuring of our economic structure. In cities, we should for the present set up such schools and specialities mainly among trades with a high density of laborers such as the electronics industry, and commerce, service and tourist trades. The intermediary vocational schools, which will in general run 3 years, should mainly recruit junior middle school graduates.

Gradually change the present practice of recruiting apprentices into one of recruiting students, and change post-employment training into pre-employment training. Training may either be given by enterprises or given jointly by enterprises and vocational schools. The training period is not to be taken as period of employment. Diplomas will be awarded after conclusion of training and passing an examination. The diplomas will certify that one is a skilled worker, and those holding the diplomas may be employed as regular workers by enterprises according to their production needs. From now on, the skilled workers needed by enterprises will, in general, not be recruited directly from society. Good students graduating from vocational schools, skilled workers' schools and training courses and passing an examination shall be given priority in employment.

Set up vocational education examination committees. Examination committees should be formed jointly at all levels from the state to localities by the departments of education, labor, education for workers, trade unions and the Communist Youth League. As empowered by the state, these examination committees will give examinations to graduates from apprentice training courses, vocational schools and sparetime schools. Those who pass the examination will be given diplomas which will be applicable everywhere in the country and which will be used as the basis of employment.

After passing an examination, graduates from vocational schools may either obtain employment or take the entrance examinations for undergraduate or graduate school.

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CSO: 4006

BRIEFS

HUBEI UNEMPLOYMENT ARRANGEMENTS--Since the beginning of this year, the special funds for making work arrangements for the unemployed and rusticated youths were double that of last year and amounted to 24.7 million yuan. The province has so far arranged work for some 224,000 people, of whom some 100,000 were unemployed young people who had remained or returned to cities, some 60,000 were rusticated youths and some 50,000 were other unemployed people. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Dec 80 HK]

CSO: 4006

TRANSPORTATION

SUGGESTIONS, PROPOSALS FOR HIGHWAY MODERNIZATION OUTLINED

Suggestions for General Improvement

Beijing GONGLU [HIGHWAYS] in Chinese No 10, 25 Oct 80 pp 2-5

["Chinese-Style Highway Modernization" Forum article by Xian Lizhi [0341 4539 1807]: "Proposals for Modernization of Chinese Highways"]

[Text] Highways play an important role in national economy and national defense construction. Along with the advance of modern science and technology and modern industry, and the need to meet military requirements, highways developed very rapidly in the world after World War II. Viewed from the general situation, however, our highways are still very backward, and the small number and low standard of highways are inadequate for our national development. We are lagging behind not only the industrially developed countries, but also the developing ones. The general situation of highways in some countries is as follows:

Country	Year	Highways (total mileage)	Mileage of First and Second Grade Highways	Highway Density		Expressway Mileage
				A	B	
United States	1977	622.2	300	0.66	305	78,289
Japan	1978	109.7	37.3	2.91	96	2,195
West Germany	1978	47.9	44.6	1.93	78	7,029
France	1978	80.1		1.45	151	4,604
England	1978	34.9	33.3	1.52	62	2,416
India	1976	137.5	23	0.46	22.7	400
China	1978	89	14.3	0.09	9.3	None

[Note: Mileage all in 10,000 kilometers.
Road Density: A = kilometer/square kilometer.
B = kilometer/every 10,000 persons.]

Our population is 25 percent of the world population, but our total highway mileage comes to only 3 percent of the total world mileage. The United States' population is 5 percent of the world population; its highway mileage is 20 percent of the total world mileage. India's population is 16 percent of the world population; its highway mileage is 4 percent of the total world mileage. Calculated on the basis of land area, our highway density ranks 51st in the world, being only one-fifth of India's and one-half of Brazil's. Calculated on the basis of farmland, the density is also very low. In China, the per capita farmland is 1.6 mu, and for each mu of farmland, there is only 0.6 meters of highway. In Japan, the per capita farmland is only 0.7 mu, and for every mu of farmland, there are 14.6 meters of highway.

China has now 890,000 kilometers of highway. The substandard highways account for 45 percent of them. Less than 2 percent are first and second grade highways, and one-third of them are dirt roads. Roads surfaced with asphalt, residual oil and cement total only 17 percent. We have now 128,000 highway bridges, but the majority of them do not have the required width or the load-bearing capacity. There are also more than 700 ferries waiting to be replaced by bridges.

Because of the scarcity of highways, the lack of communication between different areas is quite common, especially in the mountainous areas. The standard of living of these people cannot be raised because of the lack of highways, and this problem is now quite pressing.

Waste of transport capacity and fuel is quite serious as a result of poor highway facilities. According to estimates, approximately one-third to one-half of transport capacity was wasted and fuel consumption was increased by more than 1 million tons in 1979 because of poor highways. The question of traffic accidents has also become very serious. Although there are many more vehicles in Japan and the United States, the number of their traffic casualties was only 3 for every 10,000 vehicles, whereas in our country, the number of casualties was more than 100, and in 1979, we had more than 110,000 casualties from highway traffic accidents (and more than 20,000 of them were fatal). Therefore, the improvement of highways is quite important, considering the need to support industrial and agricultural production, to raise highway transport efficiency, to conserve energy and to insure personal safety.

Since the above-mentioned conditions are inconsistent with national economic development, the following proposals are offered for a speedy change:

(1) Change of Existing Highway Control System

In many foreign countries, national highways are separately controlled at different levels. In the United States, for instance, highways are classified into state highways and national defense highways, principal and secondary national highways, county highways and local highways. The Federal Highway Administration is responsible for the planning and construction of highways above the state level, while the state government is responsible for county and local highways. This system of differentiated administration helps develop the roles of both the central and the local governments. Long distance highways of national significance are under unified national planning, so that there can be a concentration of forces to insure the success of key projects and to raise the quality of construction. In West

Germany, highways are divided into national and regional highways. The national highways, again, are divided into long distance and major highways, both under the unified control of the state in planning and construction. The regional roads are to be planned and constructed by the local governments. In the Soviet Union, highways are classified into trunk highways and regional highways, the former to be built by the communications and construction departments and the latter by the Union republics.

Before 1958, our central and local governments were both responsible for highway administration: the central government for the planning and construction of the trunk highways, and the local governments for the regional highways. Many trunk highways, such as the Sichuan-Xizang and the Qinghai-Xizang highways, the Karamay-Qaidam Highway, the Sichuan-Guizhou and the Yunnan-Guizhou highways, the Yantai-Changwei Highway of Shandong, the "Support-the-Front" Highway of Fujian, the Haikou-Yulin Highway of Hainan Island, and the Beijing-Tianjin-Tangshan Highway, which connects Beijing with the sea, were all built by the central government at that time. These trunk highways played an important role not only in national liberation and support for the front at that time, but also during the periods of recovery and socialist construction later. The large-scale construction of these long trunk highways could not possibly be initiated or undertaken by a single province (municipality or region). Therefore, it was necessary and appropriate that important trunk highways be planned and constructed under unified central control. Since the initiative from both the central and the local authorities was fairly well utilized, development of national trunk highways and local roads was quite rapid. Now we can see the merits of the system of differentiated administration.

After 1958, however, the highway as an indispensable link in the process of production, distribution, exchange and consumption of industrial and agricultural products was, for certain incomprehensible reasons, excluded from the industrial system. Instead, it was included in 19 non-industrial departments, such as culture and education, and public health. The general highways bureau, in charge of highway construction and motor vehicle transportation throughout the country, the five highway planning academies and the eight highway engineering bureaus were all shut down, and the entire system of highway administration was abolished, with the technical files and data all abandoned. Since then, all the unified planning, principles, policies, rules and regulations, technical standards, management through fixed quotas, working contingent building and so forth were disregarded. Many special problems among the highway workers were also left unsolved for a long time because nobody was charged with this responsibility. Like the geological prospecting department workers, highway workers have to work in secluded areas deep in the mountains and move here and there all the time. Despite their hardship, the field allowances for those engaged in surveying, designing and building highways are generally lower than those of other workers. Even now, the road maintenance workers are not recognized as being engaged in heavy physical work and thus the problems of their labor production, fringe benefits, base establishment, setting up of homes and education for their children cannot be solved. Some road workers have toiled for decades since the building of the Sichuan-Xizang and Qinghai-Xizang roads shortly after liberation, and struggled with their harsh environments in various parts of the country. They have made great contributions to highway construction through their painstaking efforts. Yet, even now, they still cannot have a home for reunion with their wives, and their children cannot attend school. Because of the many real problems which remain unsolved, many of these workers have to labor under a heavy mental strain. The present situation with the highway workers is that the old-timers want to quit and there are no willing newcomers. Neither students nor workers of other fields have willingly responded to the recruitment. If this situation continues, there will some day be a personnel crisis resulting from the lack of successors for the old-timers.

To solve these problems, we must first change the existing system of highway control. Based on experiences at home and abroad, the best system of highway control consists of:

First, classification of highways throughout the country into four categories, namely, national roads, provincial roads, county roads and commune and production brigade roads, to be separately administered at different levels.

Second, unified planning and construction for national roads, and local planning and construction for provincial and county roads, leaving commune and production brigade roads to be built by the masses with government support, according to requirements of the masses.

Third, planning and construction of national defense and frontier defense highways to be planned and constructed by military departments.

In this way, there will be unified leadership as well as distribution of responsibility, and this will help develop initiative from both the central and the local authorities. Only thus can highway construction be a success in the near future.

(2) Building Up Highway Construction Funds

Money is needed in highway building, and this fund must be raised according to actual existing conditions. It is impractical to demand too much, to be divorced from the objective conditions or to go beyond the limits. On the other hand, it would be equally impractical if we are unwilling to spend money or try to "cook meals without rice." Funds for highway construction can be raised in the following ways:

First, state investment. Highway construction is a component of national economic construction and should be treated as such. This is in line with the principle of developing the socialist economy in a planned and proportionate way. However, no allowance is made in our national economic construction program for highway construction, and its share in this budget is zero. This is an abnormal phenomenon which is inconsistent with the laws of economic development. At present, there is only a small fund allocated for highways to be used for national defense and frontier defense, and this fund comes under the category of national defense and combat readiness, which is provided for in the national defense budget. In many foreign countries, highway construction must claim a certain share of the construction funds in the national budget, and many of these countries even finance highway construction with foreign loans. In our First Five-Year Plan, investments in highway construction came to 3-5 percent of the national capital construction funds. Therefore, we propose that in our annual national capital construction investments, 3-5 percent of the total amount should still be allocated for highway construction. If there is difficulty with national finance, it may be temporarily reduced to 1-2 percent. It is improper to leave it out of the budget entirely.

Secondly, according to the principle of "road users to build roads," we propose that a 10 percent surtax be charged on the sale of fuel and tires, with the proceeds to be used as a road construction fund. Some foreign countries are using this method, too. According to materials from foreign sources, good roads can reduce wear and tear on the vehicle parts and help lower fuel and tire consumption. Thus the aggregate gain from these sources is more than enough to compensate for the 10 percent surtax charged.

The funds raised from the above two sources should be placed under the unified control of the central government and used for national road construction or subsidizing road construction in mountainous areas.

Thirdly, according to the principle of "using the road to maintain the road," road maintenance fees should be collected from vehicles using the highways, and these collected fees should be controlled by the provinces and used mainly for maintaining the existing highways so as to avoid the problem of low road utilization as a result of poor maintenance. However, attention should also be paid to the rebuilding of old roads and the building of new provincial and regional highways. The lack of funds and materials for national capital construction have created grave problems in financing road maintenance. Therefore, the state should provide a portion of special materials based on the volume of revenue from road maintenance fees collected each year. These materials should be distributed by the state highway administration departments, or the state can set aside part of the collected road maintenance fees (approximately 10 percent) to be distributed together with the materials among the provinces. If the system of material supply is changed and capital construction materials can also be sold in the open market, the provinces can then purchase what they need and the present situation will no longer exist.

Fourthly, in levying the agricultural surtax and other forms of local tax, a certain portion should be earmarked for provincial road construction and for subsidizing the construction of commune and production brigade roads. This portion should be controlled by the county.

Fifthly, road construction for national defense and frontier defense should be included in the national defense budget under the control of military departments.

Funds for highway construction raised from the above five sources should be legalized as special funds for special use. Other special highways can still be built with foreign capital or bank loans, which can be redeemed with collected "road tax" after completion of the construction. This is the method used by some foreign countries for building expressways.

Highway building is a big job involving heavy outlays. However, if we fail to do anything at all simply for this reason, we are taking a passive attitude. As long as we adopt positive measures and explore all avenues, there should be some sources of funds. The main requirement is the leadership's determination.

There is still another point requiring elaboration. Highways are fixed state assets and a great social wealth. We must take resolute measures to guard against willful damage to highways or highway installations. The volume of highway transport is quite large as compared with those of other forms of transport. In 1978, for example, the volume of traffic handled by highway transport in the combined volume of the three forms of transport (railway, waterway and highway) was 9.2 percent, and the volume of cargo transported on highways amounted to 68.4 percent. In the same year, the total output value of highway transport throughout the country was 24.4 billion yuan, being 51 percent of all transport output value in the country, or 3.7 percent of the total production value in the country. In other words, in 1978, every yuan of the ultimate product in our country includes 37 cents of highway transport value. Furthermore, the hauling of goods by vehicles along the highways is also part of the production process, and the value thus created should be included in the value of the products. Therefore, part of the value created by social enterprises should be attributed to vehicle transportation, and the view that highways belong to the nonindustrial departments instead of the industrial system is theoretically unscientific. Also, the view that highway construction is bad investment instead of a source of income is equally erroneous.

(3) Strengthen Leadership and Build an Active Modern Highway Construction Contingent

At present, highway construction and vehicle transport are administered by the Ministry of Communications. However, the ministry is always busy with water transport directly under its control according to the established structure, the personnel allocation and the work pressure on the leadership. Consequently, it has no time to spare on highway problems. Many provinces, municipalities and autonomous regions are complaining about this, and the views expressed in every national communications conference pointed to this conclusion: "The present Ministry of Communications is only concerned with water transport directly under its control, but not with highways," and "it is only a Ministry of Water Transport."

To strengthen leadership over highways and to effectively solve the above problems, the central authorities should set up a small but highly competent leading organ (or restore the general highways bureau) which will, first of all, set up regulations for the national trunk highways and take charge of their construction in order to overcome the present decentralized and chaotic management of highway communications. Then, under unified central planning, full play should be given to the positive roles of the localities so that the initiative from both the central and the local authorities will be given full scope in forming a modern highway work contingent to carry out scientific research, survey and design, construction, communications, engineering and vehicle transportation. This contingent will represent a combination of central and local, as well as professional and mass, forces.

It is also necessary for us to note the specific conditions in our country, such as the surplus of labor power, the relative scarcity of farmland, the existence of more plains in the north and more mountains in the south, the existence of various types of transport means (such as motor vehicles, push carts, animal drawn carts, bicycles and so forth), the present low standard of highways, the fairly large number of roads with dead ends, and the uneven development of highway construction, and accordingly work out plans, set up technical standards, and formulate the required general and specific policies in order to gradually form a highway network. We should also adopt measures suitable to local conditions to actively repair the old roads, and gradually build some expressways. By these means, we will be able to rapidly change the backwardness of our highways and help them keep pace with our economic development and scientific and technological progress, as well as the people's material and cultural improvement. This is in line with China's highway modernization.

Training Highway Technicians

Beijing GONGLU [HIGHWAYS] in Chinese No 10, 25 Oct 80 p 5

["Modest Suggestions" column article by Zhong Weiyong [0112 0251 0616]: "Make Good Use of Time for Training and Raising the Technical Level of Road Maintenance Workers"]

[Text] Modernization of road maintenance is an important component of highway modernization. Therefore, on the road maintenance front, we must have a technical force familiar with the technology of highway construction and highly competent in road maintenance.

As the situation now stands, the cultural level of most road maintenance workers is low. They are also advanced in age, small in number and technically incompetent. In some road squads, it is impossible to find a single worker able to compile statistics. Because of their low cultural level and inadequate basic knowledge of road maintenance and highway engineering, some road maintenance workers do not know how to widen or raise the road surface over bridges or culverts or at the turns. When there is something wrong with the road, they do not know how to discover the cause. They even do not know how to work out the simplest ratio between oil and gravel to be used. To accomplish highway modernization with such a road maintenance contingent would be indeed difficult.

Therefore, I offer the following suggestions:

(1) All provincial and municipal highway communications departments should run road maintenance technical schools (or highway technical schools), in order to train road maintenance workers and to provide them with the basic skills of highway engineering, the techniques of road maintenance, and the use and repair of road maintenance machinery.

(2) Regional highway departments should run various types of short-term road maintenance training classes, giving lessons on such subjects as the use and upkeep of road maintenance machinery. Road maintenance squad leaders should also undergo training during the lax winter season.

(3) All county highway departments should regularly organize road maintenance workers to study for their own professional advancement. These workers should collectively undergo winter training.

Through these measures, it is hoped that the quality of the road maintenance can be raised as a preparation for highway modernization and technical transformation.

Personnel Training Further Stressed

Beijing GONGLU [HIGHWAYS] in Chinese No 10, 25 Oct 80 pp 6-7

[Article by Yang Shengfu [2799 4141 4395]: "Pay Attention to Personnel Training"]

> [Text] Some leading cadres, experts and readers have expressed their views on the question of Chinese-style highway modernization and put forward many good suggestions and ideas. I feel much enlightened after reading them. Here I would like to offer some supplementary views on the same question, namely, views on paying attention to the technical training of the workers and staff members.

A huge technical force of various types of personnel is required for modern highway construction. Except for the small number of graduates sent as a reinforcement from various schools, training should be conducted for the vast majority of the present workers. Therefore, the result of personnel training will have a direct bearing on the progress of highway modernization.

Highway modernization is the ardent desire of the broad masses of workers and staff members of the highway departments. They all want to work with one heart and one mind to contribute whatever they can to the success of this modernization. However, many comrades feel that their ability is not equal to their ambition, because of the serious handicaps resulting from the lack of modern technology and the know-how for organizing large-scale social production, in addition to the low levels of management and technology. The main problems are as follows:

1. The scarcity of competent leading cadres. The majority of leading cadres in our highway departments were veterans well tempered in the revolutionary wars. During socialist construction, they were transferred to different highway administrative departments to take charge of survey and design, construction and maintenance. Through great efforts in learning about their vocation and technology in the course of practical work, some of these comrades have gradually mastered the technical know-how in one or several fields, accumulated rich experiences, and are now leading the workers and staff members of their units in the new long march. They are the vanguard of highway modernization. However, there are some other leading cadres who have been influenced by the incessant political movements over many years and by the stress on "laymen to lead experts." They consider it an honor to be laymen and find satisfaction in only voicing several political slogans instead of learning about technology and management as required by their jobs. They do not know what they should do and have the mistaken idea that people in the dark can light the way for others. They cannot even cope with their present duties, and if they were allowed to lead the broad masses of workers and staff members in striving for highway modernization, the consequences can be easily imagined.

2. The low vocational level of engineers and technicians. There have never been many engineers and technicians in the highway departments. According to statistics of 20 provincial, municipal and regional communications departments, the number of engineering and technical personnel is only 3 percent of the total communications department personnel. This is very inadequate to the needs of highway

modernization. Presently, the majority of the few engineers and technicians were trained in various universities and technical institutes, or secondary technical schools after liberation. Those who graduated in the 1950's have been tempered on the job for more than 20 years, and some of them have become technical backbone elements in highway departments at various levels. Yet, from the overall situation of the engineering and technical contingent, many engineers and technicians have, for a long time, lacked the courage to show any enthusiasm in learning about their jobs and technology, and had to relax their efforts in studying foreign languages, lest they possibly be labeled as "taking the white expert's road" and "worshipping and having a blind faith in things foreign." That is why their vocational level is so low. The 10 years' catastrophe from the "gang of four" in particular led to the total abandonment of vocational and technical pursuits. They now have difficulty in keeping track of the developments of foreign technology relating to their own lines, and that is why they find the technical responsibility in highway modernization too heavy and consider themselves not equal to the task.

3. The low cultural level of the workers. The workers of our highway departments belonged to the lowest social stratum in the old society, and most of them were illiterate. Even those recruited after liberation had received only elementary school education. According to the statistics of 20 provincial, municipal and autonomous regional highway departments, 46 percent of the total number of workers and staff members of highway departments at present have received no more than elementary school education. Among them, 8 percent are illiterate or semi-illiterate. The new workers coming to swell the ranks during the Great Cultural Revolution were supposed to have received secondary or high school education, but few of them were as well educated as they should be. Furthermore, because of the lack of any intensive technical training for them after they became workers, their technical level has not only failed to rise, but has even become lower. Thus for many types of work, there are no competent successors to take over the work of old-timers. This cannot meet the requirements of highway construction and maintenance. In striving for highway modernization hereafter, we cannot build or maintain roads by relying solely on such manual labor as the use of carrying poles and baskets, or spades and shovels. There must be a gradual transition to mechanization or semi-mechanization. Without an adequate cultural level for the workers, it will be difficult to understand or use modern machinery, equipment and instruments.

If we still fail to pay attention to education and technical training of the workers and staff members despite these conditions, the accomplishment of highway modernization will be impossible. Therefore, it is hoped that the leadership of highway departments at various levels will attach great importance to this matter, provide more active leadership, and start the training of workers and staff members by adopting different effective measures according to individual merits.

Training for leading cadres can take many forms, such as inviting experts, engineers and technicians to deliver lectures, running short-term training classes, listening to lectures in universities, technical colleges or secondary vocational schools, and attending television classes, as means of learning technical and administrative skills. It is hoped that within 2 or 3 years, leaders at various levels will acquire the technical skill required for their work. Stress should be laid on the training of young leading cadres, and the demands on them should be strict. If necessary, they can be sent to universities or technical colleges, or even aborad, so that they can systematically learn the basic theories and acquire their vocational skills.

The training of engineers and technicians can take the form of topical discussions, exchange of scientific and technological information, taking advanced courses in universities or technical colleges, and participation in international academic conferences--all this by strengthening the functions of the academic associations. They can also visit foreign countries for international exchange of technology and to bring their knowledge up to date. At present, special efforts should be made to help young and middle-aged engineers and technicians learn foreign languages in order to overcome language barriers and to facilitate the import of new technology for highways.

For the training of workers, night schools, supplementary literacy schools and technical schools can be set up according to their educational background and actual technical levels. On-the-spot training and winter classes can also help raise their cultural and technical levels. In training, special stress should be laid on those young technicians who joined the workers' ranks after 1966, those whose cultural level is below that of secondary school graduates, and those whose technical level is below the third grade. By this means, it is hoped that before 1985, the cultural level of these young workers will be equivalent to that of secondary school graduates.

After all, launching the program of personnel training should not be too difficult. The key to success lies in the close attention of the leadership at various levels.

The result will certainly be unsatisfactory if this matter is "important at the talking stage, of secondary importance when the time for action comes, and abandoned when there is pressure of work," and if there is no sense of urgency and responsibility for this training program. We must take a long-range view, and keep pace with highway modernization by working out plans for personnel training for the next 5, 10 and 20 years, with clearly defined goals for different types of workers. As long as we devote our energy to its organization, give it unstinting financial support, and keep it up perseveringly, we can certainly train different types of talents required for the accomplishment of highway modernization.

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DEVELOPMENTS IN SHIPBUILDING DESCRIBED IN CONFERENCE

Hong Kong ZHONGGUO XINWEN in Chinese 22 Nov 80 p 5

[Article: "China Enthusiastically Develops Its Shipbuilding Industry"]

[Text] "In the next few years China's shipbuilding industry will develop greatly" were the words spoken by Wang Ze [3076 3419] the assistant general manager of the China Shipping Industry Corporation at the October 19th opening session of the Far East Commerce and Shipping Conference held in Hong Kong. This 2-day conference was attended by over 400 delegates from 36 countries and areas.

Wang Ze spoke on the topic of "Developments in China's Shipbuilding Industry." He pointed out that in order to meet the needs of domestic shipping and the international shipping market China is now carrying out technological rennovation in all shipyards, expanding its shipbuilding capacity in the 60,000- to 100,000-ton range with plans for a great increase in production capacity by 1985 when they can build ships in the 100,000- to 150,000-ton range. Over the next few years there will be a gradual increase in the number and variety of ships for export. China will also successively enter the market with Chinese-built floating and semi-submerged well-drilling platforms and submarines.

Zhu Cengjie [2612 2582 2638] a researcher with the China Ocean Shipping Corporation spoke on the topic "China's Developments in Foreign Trade and Its Needs in Ship Transportation." He pointed out that there are four major goals in the modernization of China's ocean transportation: 1. Develop an ocean shipping fleet and reform the structure of the fleet. 2. Develop container shipping. 3. Increase the number of regular steamship lines. 4. Develop international shipping relationships. He revealed that in recent years China has constructed or rebuilt many wharves and berths in its sea ports and now has over 130 deep water berths. Tonnage capacity has risen from over 8 million tons in the early period of national construction to the present tonnage of over 200 million tons.

11582
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WORK ON ANHUI-JIANGXI RAILROAD LINE PROGRESSES RAPIDLY

Hong Kong ZHONGGUO XINWEN in Chinese 5 Nov 80 p 1

[Article: "Rapid Expansion of Anhui-Jiangxi Line"]

[Text] More track is being rapidly added to the Anhui-Jiangxi line which provides north-south rail links along China's southeastern coastline. The northern end of this line is the Longgang station in Wuhu, Anhui and the southern is the Guixi station of the Zhejiang-Jiangxi line, a total of 540 kilometers of which a total of 340 kilometers has already been laid. Of this, the southern section (from Jingdezhen to Guixi) and the northern section (from Wuhu to Ningguo), a total of over 230 kilometers is already is operation or in provisional operation.

After the whole line is in operation it will pass through the famous sightseeing areas of Huangshan, Jiuhuashan and Fanglamiao for the convenience of domestic and foreign tourists. Materials shipped from the north and northwest to Jiangxi and Fujian can travel the Ning-Tong line (from Nanjing to Tongling) and the Anhui-Jiangxi line to the Yingtan station of the Zhejiang-Jiangxi line, which is over 300 kilometers shorter than traveling the Shanghai-Nanjing line and the Shanghai-Hangzhou line. This not only relieves the pressures on the latter two lines but also makes transportation faster and cheaper.

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TRANSPORTATION

BRIEFS

HANGZHOU GRADE SEPARATION PROJECT--Hangzhou, 5 Jan (Xinhua)--A grade separation project for railways and highways was completed in Hangzhou, Zhejiang, after 1 year of construction. The project is located near the entrance section from the Hangzhou airport to the downtown and Xihu, a scenic spot. Its opening to traffic today will eliminate traffic jams in that area. [Beijing Xinhua Domestic Service in Chinese 1228 GMT 5 Jan 81]

PRC RAILWAY CONSTRUCTION--Taiyuan, 11 Jan (Xinhua)--(For evening papers) On New Year day, the Pla railway engineer corps began to double-track the 135-km Jiexiu-Linfen section of the Nantongpu railway in order to promote development of the Shanxi coal production base. [Beijing Xinhua Domestic Service in Chinese 0117 GMT 11 Jan 81]

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